

2007 No. 90

RATES

The Rates (Transitional Relief) Order (Northern Ireland) 2007

Made - - - - *15th February 2007*

Coming into operation - *1st April 2007*

The Department of Finance and Personnel^(a) makes the following Order in exercise of the powers conferred by Article 33A of the Rates (Northern Ireland) Order 1977^(b):

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Rates (Transitional Relief) Order (Northern Ireland) 2007 and shall come into operation on 1st April 2007.

(2) In this Order—

“the 1977 Order” means the Rates (Northern Ireland) Order 1977;

“base amount” in relation to a relevant year means the sum which would have been chargeable in respect of rates in respect of a specified hereditament or part of a specified hereditament in the capital value list in that year if the capital value list had not come into force;

“capital value list” has the same meaning as in Article 2(2)(c) of the 1977 Order;

“old list” has the same meaning as in Article 33A(3)(d) of the 1977 Order;

“relevant year” means a year which is mentioned in Article 4;

“specified hereditament” means a hereditament or part of a hereditament in the capital value list other than a hereditament or part of a hereditament specified in column 2 of the Schedule;

“unadjusted amount” in relation to a relevant year means the sum that would otherwise be chargeable in respect of rates in respect of a specified hereditament or part of a specified hereditament in the capital value list for that year apart from this Order.

Application of Order

2. This Order applies to any specified hereditament—

- (a) which was or fell to be included in the old list immediately before the coming into operation of this Order; and
- (b) in respect of which a capital value is ascribed in the capital value list on 1st April 2007.

(a) Formerly the Department of Finance; see S.I. 1982/338 (N.I. 6) Article 3

(b) S.I. 1977/2157 (N.I. 28); Article 33A was inserted by Article 5 of the Rates (Amendment) (Northern Ireland) Order 1996 (S.I. 1996/3162 (N.I. 25)) and amended by Article 18 of the Rates (Amendment) (Northern Ireland) Order 2006 (S.I. 2006/2954 (N.I. 18))

(c) In Article 2(2) the definition of “capital value list” was inserted by Article 11(3)(a) of the Rates (Amendment) (Northern Ireland) Order 2006

(d) Article 33A(3) was inserted by Article 18(3) of the Rates (Amendment) (Northern Ireland) Order 2006

Amount of Rates

3. Where the sum chargeable in respect of rates due in respect of a specified hereditament which is included in the capital value list exceeds the sum chargeable arising from the old list the amount of the sum chargeable in respect of rates in respect of that specified hereditament shall be determined in accordance with Article 4.

Transitional relief

4.—(1) Where the unadjusted amount in respect of a specified hereditament in the capital value list in a relevant year exceeds the base amount for that year by not less than 33 per cent. of the base amount, the unadjusted amount for that year shall, subject to Articles 5, 6 and 7, be reduced in accordance with paragraphs (2) to (4).

(2) In the year ending on 31st March 2008, the unadjusted amount shall be reduced by the whole of the difference between that amount and 133 per cent. times the base amount.

(3) In the year ending on 31st March 2009, the unadjusted amount shall be reduced by two-thirds of the difference between that amount and 133 per cent. times the base amount.

(4) In the year ending on 31st March 2010, the unadjusted amount shall be reduced by one third of the difference between that amount and 133 per cent. times the base amount.

Supplementary provisions as to transitional relief

5.—(1) Where the capital value ascribed to a specified hereditament in the capital value list is altered after 1st April 2007, then for the purpose of determining any reduction of the unadjusted amount under Article 4—

- (a) if the capital value is increased, such increase shall be disregarded; and
- (b) if the capital value is reduced, the unadjusted amount in relation to any period after reduction shall be the sum which would have been chargeable apart from this Order in respect of that hereditament as a result of that reduction.

(2) Where, on 1st April 2007, a hereditament is not a specified hereditament which is included in the capital value list, such a hereditament shall be deemed not to be a specified hereditament in the capital value list for the purposes of Article 2 only by virtue of the fact that a capital value has been ascribed to it in the new capital value list after 1st April 2007.

Occupation

6.—(1) Where a specified hereditament in the capital value list is unoccupied either on 31st March 2007 or 1st April 2007 then, subject to paragraph (2), a reduction in the unadjusted amount shall not be made.

(2) Paragraph (1) shall not apply—

- (a) where a specified hereditament in the capital value list which is unoccupied on either 31st March 2007 or 1st April 2007 is next occupied by the person who was the occupier of that hereditament immediately before it became unoccupied; or
- (b) where a specified hereditament in the capital value list which is unoccupied on any date after 1st April 2007 is next occupied by the person who was the occupier of that hereditament immediately before it became unoccupied.

(3) Where there is a change of occupation of a specified hereditament in the capital value list on or after 1st April 2007 the unadjusted amount shall not be reduced in respect of any period after the first day on which the change of occupation occurred.

Application of transitional relief to certain hereditaments with special facilities for persons with a disability

7. Where the person liable in respect of rates due in respect of a specified hereditament which is included in the capital value list has been granted a rebate under Article 31A of the 1977 Order^(a) that rebate shall be deducted from the unadjusted amount.

Hereditaments excluded from transitional relief

8. This Order shall not apply to a hereditament specified in column 2 of the Schedule.

Revocation

9. The Rates (Transitional Relief) Order (Northern Ireland) 2003^(b) is revoked.

Sealed with the Official Seal of the Department of Finance and Personnel on 15th February 2007



Brian McClure

A senior officer of the Department of Finance and Personnel

(a) Article 31A was inserted by Article 5 of the Rates Amendment (Northern Ireland) Order 1979 (S.I. 1979/297 (N.I. 4)) and was amended by Part II of Schedule 9 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)) and Article 17 and Schedule 3 to the Rates (Amendment) (Northern Ireland) Order 2006 with saving in Article 17(11) to (13) of that Order

(b) S.R. 2003 No. 143

SCHEDULE

Article 8

Hereditaments excluded from transitional relief

1	2
<i>Entry No.</i>	<i>Hereditaments</i>
1	A hereditament which is included in the capital value list and wholly owned by the Northern Ireland Housing Executive to which a social sector value has been attributed. In this regard ‘social sector value’ has the same meaning as in Article 23A of the 1977 Order(a).
2	A hereditament which is included in the capital value list wholly owned by such registered housing association or other body prescribed under Article 23A of the 1977 Order to which a social sector value has been ascribed. ‘Registered’ in relation to a housing association, means registered in the register maintained under Part II of the Housing (Northern Ireland) Order 1992(b).
3	A hereditament which is included in the capital value list which is wholly occupied by a Northern Ireland Department or a Minister of the Crown.

EXPLANATORY NOTE

(This note is not part of the Order)

From 1st April 2007 the basis of valuation in respect of dwelling-houses, private garages and private storage premises (“domestic properties”) will change from rental to capital value. The capital value of all domestic properties will be included in the capital value list. Non-domestic properties however will remain subject to rental values and will be included in the NAV list.

The purpose of this Order is to provide for transitional relief that takes account of the change from NAV to capital value.

Article 2 outlines the properties to which transitional relief will be applied from 1st April 2007.

Articles 3, 4 and 5 set out the amount of rates to which transitional relief will apply, how transitional relief will be applied, and supplementary provisions in relation to the operation of the relief.

Article 6 makes provision for how any period in which a property is unoccupied may have an effect on the award of transitional relief.

Article 7 provides for the application of transitional relief to certain properties with special facilities for persons with a disability.

Article 8 and the Schedule make provision for properties that will be excluded from transitional relief.

Article 9 revokes the Rates (Transitional Relief) Order (Northern Ireland) 2003.

(a) Article 23A was inserted by Article 7 of the Rates (Amendment) (Northern Ireland) Order 2006
(b) S.I. 1992/1725 (N.I. 15)

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