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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision as to the amount payable in certain circumstances as non domestic rates in respect of non domestic subjects in Scotland. They apply only to the financial year 2007-2008 (“the relevant year”).

Part I makes provision as to citation, commencement and interpretation.

Part II deals with amounts payable in respect of non domestic subjects which are shown in the valuation roll as at 1st April 2007 and 31st March 2007. The Part ceases to apply to a non domestic subject if and when it becomes the subject of a merged, split or reorganised entry in the valuation roll taking effect during the relevant year. For every day of the relevant year the amount payable as rates is calculated in accordance with regulation 7. The notional liability is calculated in accordance with regulation 8. This provides another formula related to the rateable value and the poundage figure. Regulation 9 makes provision for the calculation of the rates payable where rateable value changes during the relevant year.

Part III makes provision for the situation where a non domestic subject is shown in a merged, split or reorganised entry in the valuation roll which takes effect during the relevant year. If the amount of rates payable in respect of any component of the property shown in the new entry was being determined under the 2006 Regulations immediately prior to that entry taking effect, then Part III applies to determine the amount payable in respect of that property for the rest of the year (regulation 10). That amount is calculated by apportioning or aggregating, as the case may be, the amount or amounts payable immediately prior to the effective date of the new entry in respect of the non domestic subject affected by the new entry (regulations 11 and 12). Regulation 13 provides for amounts payable to be recalculated if there is a change in the rateable value of property whilst Part III applies to it.

Part IV provides for a general reduction in rates for non domestic subjects with a rateable value of £11,500 or less. Regulation 14 provides for a reduction on a sliding scale of between 10 per cent and 50 per cent on the rates payable where the cumulative rateable value of the non domestic subject occupied by the ratepayer is less than £8,000. Where the amount of rates payable in respect of which the non domestic subject to which this Part applies falls to be reduced by virtue of any of the enactments listed at regulation 14(3)(a), or is determined in accordance with regulation 14(3)(b) then the reduction in rates is limited to 5 per cent. Where the amount of rates payable is reduced or remitted by virtue of the enactments listed at regulation 18(b) and regulation 14(3) does not apply then the percentage of rate relief given on the sliding scale shall be applied to the rates reduced or remitted. Where the cumulative value of the non domestic subjects occupied by the ratepayer is £8,000 or above, but includes subjects which are valued at £11,500 or under, the reduction on the rates payable on the said subjects is restricted to 5 per cent.

Part V provides for a general increase in rates for non domestic subjects with a rateable value of more than £29,000. Part VI deals with reductions, remissions and exemptions. Regulations 16 and 17 provide for reductions under other enactments to apply in cases where the amount payable is determined under Part II, III, IV or V in the same way as they apply in cases where these Regulations do not have effect. Nothing in the Regulations requires the payment of rates on property which is entirely exempt from rates under any other enactment, or prejudices the power of a rating authority to grant discretionary reductions or remissions (regulation 18).

Part VII revokes the Non-Domestic Rates (Levying) (Scotland) (No. 2) Regulations 2006.