

## SCHEDULE 2

### SPLITS AND MERGERS

#### **Rules for determination of chargeable amount for new hereditament: splits on 1st April 2010**

2.—(1) Subject to paragraph 6 (changes in the value of new hereditament: year of creation), where—

- (a) this Schedule applies,
- (b) the creation day falls on 1st April 2010,
- (c) the new hereditament comprises or incorporates all or part of a single old hereditament; and
- (d) the chargeable amount for the chargeable day for the new hereditament is not zero under section 45A of the Act (unoccupied hereditaments: zero-rating),

the following provisions of this paragraph shall be used to calculate the chargeable amount for a chargeable day in the year beginning on 1st April 2010, in place of the provisions of sections 43(4) to (6A), 44, 45(4) and (4A), and 54(4) to (7) of the Act.

(2) Subject to sub-paragraphs (3), (5), (7) and (9), the chargeable amount for the chargeable day shall be calculated by applying the formula—

$$\frac{R \times J}{S}.$$

(3) Where sub-paragraph (4) applies, the chargeable amount for the chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 5.

(4) This sub-paragraph applies where, on the day concerned, the conditions in section 43(6) of the Act (charities and registered community amateur sports clubs) are fulfilled as respects the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for the chargeable day shall be found by—

- (a) subtracting U (as defined in regulation 10) from the amount calculated in accordance with sub-paragraph (2); and
- (b) dividing the result by E.

(6) This sub-paragraph applies where, on the day concerned, the conditions in section 43(4B) of the Act (small business rate relief) are fulfilled as respects the hereditament.

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2.

(8) This sub-paragraph applies where, on the day concerned, the conditions in section 43(6B) of the Act (general stores etc in rural settlements) are fulfilled as respects the hereditament.

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by the number prescribed in an order under section 45(4A) (reduction in chargeable amount for unoccupied hereditaments) of the Act.

(10) This sub-paragraph applies where, on the day concerned—

- (a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and
- (b) an order under section 45(4A) is in force and has effect in relation to the hereditament.

(11) For the purposes of this paragraph—

*Status: This is the original version (as it was originally made).*

E is the amount prescribed under section 44(9) of the Act (occupied hereditaments: supplementary) for the year beginning on 1st April 2010;

R is the amount which would have been the chargeable amount for the old hereditament for 1st April 2010 if—

- (a) the old hereditament were shown in a local or the central list for 1st April 2010;
- (b) its rateable value for that day were the value certified by the appropriate valuation officer to be the rateable value which would have been shown in a local or the central list for that day on the assumption that the relevant factors were as they were for 31st March 2010;
- (c) the whole of the hereditament were occupied;
- (d) the conditions in sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief) and 47(1) (discretionary relief) of the Act were not fulfilled for it for 1st April 2010; and
- (e) section 49(1) of the Act (reduction or remission of liability) did not apply to it for 1st April 2010;

J is the rateable value shown in a local or the central list for the new hereditament for 1st April 2010; and

S is the value certified by the appropriate valuation officer to be the rateable value which would have been shown in a local or the central list for the old hereditament for 1st April 2010 if that hereditament were shown in a local or the central list for that date on the assumption that the relevant factors were as they were for 31st March 2010.