



Non-Domestic Rating Act 2023

2023 CHAPTER 53

Liability and mandatory reliefs

3 Central rating: liability and mandatory reliefs

- (1) In section 54 of the Act (central rating: liability)—
 - (a) in the heading, after “liability” insert “and reliefs”;
 - (b) in subsection (2), in paragraph (a), after “chargeable day” insert “in accordance with [Schedule 5A](#)”;
 - (c) omit subsections (4) to (7).
- (2) Omit section 54ZA of the Act (relief for telecommunications infrastructure).
- (3) After Schedule 5 to the Act insert—

“SCHEDULE 5A

Section 54

CENTRAL RATING: CHARGEABLE AMOUNT

PART 1

CHARGEABLE AMOUNT BEFORE ANY RELIEFS

- 1 Subject to the following provisions of this Schedule, the chargeable amount for a chargeable day is to be calculated—
 - (a) in relation to England, in accordance with the formula—

$$\frac{A \times M}{C}$$

- (b) in relation to Wales, in accordance with the formula—

$$\frac{A \times B}{C}$$

PART 2

RELIEFS

Charitable rate relief

- 2 (1) This paragraph applies where—
- (a) for any day in a chargeable financial year a person’s name is shown in a central non-domestic rating list in force for the year, and
 - (b) on the day concerned—
 - (i) the person is a charity or trustees for a charity, and
 - (ii) the charitable purpose test is satisfied in relation to any description of hereditament shown against the person’s name in the list.
- (2) For the purposes of [sub-paragraph \(1\)\(b\)](#) the charitable purpose test is satisfied in relation to a description of hereditament if—
- (a) in a case where there is only one hereditament falling within the description, the hereditament is wholly or mainly used for charitable purposes (whether of the charity mentioned in [sub-paragraph \(1\)\(b\)\(i\)](#) or of that charity and other charities), or
 - (b) in a case where there is more than one hereditament falling within the description, those hereditaments are, taken together, wholly or mainly so used.
- (3) For the purposes of [sub-paragraph \(1\)\(b\)](#) the charitable purpose test is also satisfied in relation to a description of hereditament if—
- (a) in a case where there is only one hereditament falling within the description—
 - (i) a certification under [paragraph 4\(1\)\(b\)](#) has effect in relation to the hereditament (“the unoccupied hereditament”), and
 - (ii) it appears that when next in use the unoccupied hereditament will be wholly or mainly used for charitable purposes (whether of the charity mentioned in [sub-paragraph \(1\)\(b\)\(i\)](#) or of that charity and other charities), or
 - (b) in a case where there is more than one hereditament falling within the description—
 - (i) a certification under [paragraph 4\(1\)\(b\)](#) has effect in relation to at least one of those hereditaments (“the unoccupied hereditaments”), and
 - (ii) it appears that all the hereditaments falling within the description, taken together, are (or, in the case of the unoccupied hereditaments, when next in use will be) used for charitable purposes (whether of the charity mentioned in [sub-paragraph \(1\)\(b\)\(i\)](#) or of that charity and other charities).

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(4) Where this paragraph applies, the chargeable amount for the day concerned in respect of the description of hereditament is to be calculated—

(a) in relation to England, in accordance with the formula—

$$\frac{A \times M}{C \times 5}$$

(b) in relation to Wales, in accordance with the formula—

$$\frac{A \times B}{C \times 5}$$

Improvement rate relief

3 (1) This paragraph applies where—

- (a) for any day in a chargeable financial year a person's name is shown in a central non-domestic rating list in force for the year,
- (b) on the day concerned the condition in [sub-paragraph \(2\)](#) is satisfied in relation to one or more hereditaments falling within a description of hereditament shown against the person's name in the list,
- (c) in relation to any of the hereditaments in relation to which that condition is satisfied—
 - (i) a certification under [paragraph 4\(1\)\(b\)](#) does not have effect in relation to the hereditament, and
 - (ii) any conditions prescribed by the appropriate national authority in regulations are satisfied, and
- (d) the day concerned falls before 1 April 2029.

(2) The condition in this sub-paragraph is satisfied in relation to a hereditament if the day concerned falls within the period of one year beginning with the day on which qualifying improvement works are completed.

(3) “Qualifying improvement works” has the meaning given by the appropriate national authority in regulations.

(4) The appropriate national authority may by regulations amend—

- (a) [paragraph \(d\)](#) of [sub-paragraph \(1\)](#) to substitute a later date for the date for the time being specified in that paragraph;
- (b) [sub-paragraph \(2\)](#) to substitute a longer period for the period for the time being specified in that paragraph.

(5) For the consequence of this paragraph applying, see the definitions of “A” and “G” in [paragraph 6](#).

Unoccupied hereditaments rate relief

4 (1) This paragraph applies where for any day in a chargeable financial year—

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- (a) a person’s name is shown in an English central non-domestic rating list in force for the year,
 - (b) the central valuation officer has certified that one or more hereditaments falling within a description of hereditament shown against the person’s name in the list is unoccupied, and
 - (c) any of the hereditaments so certified falls within a class prescribed by the Secretary of State in regulations.
- (2) This sub-paragraph applies if, for the day concerned, every hereditament falling within that description of hereditament—
- (a) has been certified by the central valuation officer as unoccupied, and
 - (b) falls within a class prescribed by the Secretary of State in regulations under [sub-paragraph \(1\)\(c\)](#).
- (3) Where this paragraph and [sub-paragraph \(2\)](#) apply, the chargeable amount for the day concerned in respect of that description of hereditament is zero.
- (4) Where this paragraph applies but [sub-paragraph \(2\)](#) does not apply, the chargeable amount for the day concerned in respect of that description of hereditament is to be calculated in accordance with the formula—

$$\frac{(A - U) x M}{C}$$

- (5) Regulations under [sub-paragraph \(1\)\(c\)](#) may prescribe a class by reference to such factors as the Secretary of State sees fit, including (among other things)—
- (a) the physical characteristics of the hereditaments;
 - (b) the fact that hereditaments have been unoccupied at any time preceding the chargeable day;
 - (c) the fact that the persons in relation to whom descriptions of hereditaments are shown fall within prescribed descriptions.
- (6) [Sub-paragraph \(5\)](#) does not restrict what may otherwise be done under section 143(1).
- (7) The Secretary of State may by regulations make provision imposing duties or conferring powers on the central valuation officer in relation to the certification of hereditaments as unoccupied.
- (8) In this paragraph, “English central rating list” means a central non-domestic rating list compiled for England.

PART 3

CASES WHERE MORE THAN ONE RELIEF APPLIES

- 5 (1) This paragraph applies if—
- (a) for any day in a financial year any description of hereditament is shown against a person’s name in a central non-domestic rating list in force for the year, and

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- (b) paragraphs 2 and 4 apply in relation to that description of hereditament for that day.
- (2) The chargeable amount for that day in respect of that description of hereditament is to be calculated in accordance with paragraph 2.

PART 4

INTERPRETATION

- 6 (1) This paragraph applies for the purposes of this Schedule.
- (2) “A” is—
- (a) where the day concerned is a day on which paragraph 3 applies, the rateable value shown for the day in the central non-domestic rating list in force for the year against the ratepayer’s name minus G;
 - (b) in any other case, the rateable value shown for the day in that list against the ratepayer’s name.
- (3) “B” is the non-domestic rating multiplier for the financial year.
- (4) “C” is the number of days in the financial year.
- (5) “D” is the small business non-domestic rating multiplier for the financial year.
- (6) “G”, in relation to improvement rate relief, is an amount prescribed, or calculated in accordance with provision prescribed, by the appropriate national authority in regulations.
- (7) Regulations under sub-paragraph (6) may (among other things) impose duties or confer powers on the central valuation officer (whether as regards determinations, certificates or otherwise) in relation to the ascertainment of rateable values or of G.
- (8) “M” is—
- (a) whichever of B or D is prescribed for the purposes of the provision in question by the Treasury in regulations, or
 - (b) for the purposes of a provision where there is no such prescription, B.
- (9) Regulations under sub-paragraph (8) may prescribe different multipliers for a given provision by reference to (among other things)—
- (a) the value of A (on the first day of a chargeable financial year or for a chargeable day) in relation to hereditaments;
 - (b) the location of hereditaments;
 - (c) the use of hereditaments;
 - (d) the physical characteristics of hereditaments;
 - (e) ratepayers in respect of hereditaments falling within prescribed descriptions.
- (10) Sub-paragraph (9) does not restrict what may otherwise be done under section 143(1).

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- (11) “U”, in relation to unoccupied hereditaments rate relief, is the total rateable value of the hereditaments falling within the description mentioned in [paragraph 4\(1\)\(b\)](#) which, for the chargeable day—
- (a) have been certified by the central valuation officer as unoccupied under that paragraph, and
 - (b) fall within a class prescribed by the Secretary of State in regulations under [paragraph 4\(1\)\(c\)](#).
- 7 For the purposes of this Schedule, “the appropriate national authority” is—
- (a) in relation to England, the Secretary of State;
 - (b) in relation to Wales, the Welsh Ministers.”