

Statutory Instruments with Clear Reports

09 December 2019

SL(5)472 – The Non-Domestic Rating (Miscellaneous Provisions) (No. 2) (Amendment) (Wales) Regulations 2019

Procedure: Negative

Paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 provides that the rateable value of a non-domestic hereditament is taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to be let from year to year (subject to specified assumptions).

In cases where there is no available information on the general rental market and profit and loss cannot be used as an indication of rental value, the rateable value of a non-domestic hereditament is determined by 'decapitalising' the estimated total capital value of the hereditament to turn it into an annual rental equivalent. The decapitalisation rates are prescribed by Regulations made by the Welsh Ministers under paragraph 2(8) of Schedule 6 to the 1988 Act.

These Regulations amend the decapitalisation rates for non-domestic rating lists prescribed on or after 1 April 2021. They set a lower decapitalisation rate of 1.9% for educational, healthcare, public convenience and defence properties and a standard rate of 3.5% for all other properties.

Parent Act: Local Government Finance Act 1988

Date Made: 25 November 2019

Date Laid: 26 November 2019

Coming into force date: 27 January 2020

