

Scottish 2012-13 Business Rates Deferral Scheme Leaflet

Information for businesses

Annual business rates bills are linked to inflation and from 1st April 2012 most non-domestic (business) rate bills in Scotland will increase by 5.6%. To allow businesses increased flexibility, the Scottish Government will implement an opt-in business rates deferral scheme for 2012-13 bills.

This scheme allows businesses to choose to spread repayment of part of the inflationary increase in their 2012-13 business rates over a 3 year period.

What is the deferral scheme?

You can choose to defer payment of 60% of the 5.6% increase in business rates bills for 2012-13. In practice this equates to 3.2% of your 2012-13 bill.

You will repay the deferred amount split half into 2013-14 and half in 2014-15.

For example, if your rates bill is £25,000 in 2012-13, you can defer 3.2% - a total of £800. This will be repaid by adding an additional £400 to each of your 2013-14 and 2014-15 bills. The remainder of your 2012-13 bill (£24,200) must be paid, as normal, in 2012-13.

Do I pay interest on the deferred amount?

No.

What is the catch?

There isn't one. The scheme is intended to provide flexibility for **all** rate paying businesses.

However, if you already receive 100% relief and have a bill of £0 (e.g. through the Small Business Bonus Scheme) you won't have any amount to defer.

How does a business qualify/ apply?

Every single business that pays business rates in Scotland qualifies. But you must apply to your Council if you want to defer.

What if I pay no rates or get 100% relief under the Small Business Bonus Scheme (SBBS)?

If you are exempt from paying rates or already receive 100% relief your rates bill will be zero so you have no amount to defer.

What do businesses need to do?

Deferral is available **on request**. If a business wishes to defer 3.2% of its bill, it needs to submit an application form to the non-domestic/ business rates team at the local Council.

An address for your local Council can be found on your rates bill or at:
<http://www.scotland.gov.uk/Topics/Government/local-government/17999/11199/contact>

You **must** keep paying your original bill until you are notified that deferment arrangements are in place e.g. via your bill.

Will I receive another bill?

This will depend when you apply. If you apply for deferment during the billing year your Council may re-bill you, unless you have already received a final notice for 2012-13.

Councils will need time to process applications.

What if I fall into arrears?

Once your 2012-13 bill is at final notice stage you will lose the right to defer. This is because liability has not been deferred, only payment. If you receive a final notice in 2012-13 or either of the two later years your Council will begin normal recovery procedures to recover the entire bill. This will include any deferred amounts.

Is there a deadline in the 2012-13 financial year to apply?

No. Although we would encourage you to apply as soon as possible to benefit from the scheme. Businesses may apply to defer part of their 2012-13 bill at any point, provided there is still a sufficient amount outstanding on the bill of at least 3.2% at the point of application and you have not received a final notice.

What if I don't want to defer payment?

You need do nothing - just continue to pay your original 2012-13 bill. Each business has the flexibility to choose to defer or not. But if you want to defer, you **must** send an application form to your local authority.

What if I have more than one property in the same (or in different) Council areas?

If you have multiple properties in the same Council area then you need only complete one application per Council. The application form has a section above your signature that you can use if you have multiple properties. Please remember to provide details (on a separate page if necessary) of all the addresses you wish to claim for. If your business has properties in several local authority areas you will need to apply to each Council individually.

Why not just make this an automatic qualification?

We believe it is important that businesses are allowed the flexibility to choose.

What if I defer and then change my mind?

Speak to your local Council and they will remove the deferral and adjust your payments.

When do I pay it back?

To keep the process simple you will pay back half the deferred amount in 2013-14 and half in 2014-15.

Will deferment affect any rate relief I receive?

No. The amount deferred will not be taken into account when calculating relief entitlement.

Can I defer more or less than 3.2%

No, this scheme allows deferral of 3.2%.

Do I need to pay someone else to apply on my behalf?

No. You do not need to apply through a third party who may charge for their services.

What other help is available?

If you pay business rates for properties with a combined rateable value of £25,000 or less you may be eligible for the Small Business Bonus Scheme.

Thresholds for eligible properties are -

Combined rateable value (RV) of all business properties in Scotland:	2012-1
Up to £10,000	100% (i.e. no rates payable)
£10,001 to £12,000	50%
£12,001 to £18,000	25%
£18,001 to £25,000	25% on each individual property with a rateable value not exceeding £18,000*

*This allows a business with 2 or more properties with a cumulative rateable value of under £25,000 to qualify for relief at 25% on individual properties with a RV up to £18,000.

Other rate reliefs are in operation and you should contact your Council for advice.

How can I get more information?

To request an application form or for other queries about your non-domestic (business) rates bill, please contact your local Council. Contact details are on your rates bill or can be found at:

<http://www.scotland.gov.uk/Topics/Government/local-government/17999/11199/contact>

Please note that the Scottish Government cannot supply application forms or answer queries relating to individual applications

A copy of this leaflet is available on the Scottish Government Website at : www.scotland.gov.uk/businessrates