

# SL(6)296 – The Non-Domestic Rating (Chargeable Amounts) (Wales) Regulations 2022

## Background and Purpose

These Regulations prescribe rules to be used to calculate the chargeable amount for hereditaments with increased non-domestic rates (NDR) liability of over £300, as a result of the increase in rateable value of their hereditament, following the compilation of the new NDR rating list on 1 April 2023.

The Regulations reduce the liability of eligible ratepayers, by phasing in the increase over a two-year period: eligible ratepayers will be entitled to a phased reduction in the increase in NDR liability over a two-year period (67% reduction in 2023-24, and 34% in 2024-25).

The Regulatory Impact Assessment for these Regulations states:

*Businesses have faced considerable economic changes and challenges since the previous revaluation and, in particular, due to the impact of the coronavirus pandemic and recent cost-of-living pressures. As a consequence, many ratepayers for medium and large properties may have difficulty paying their full increase in liability in the first year following revaluation. Some of these ratepayers may also see the largest increases in liability. This option would ensure all parts of the tax-base are supported in a straightforward and consistent manner.*

## Procedure

Draft affirmative.

The Welsh Ministers have laid a draft of the Regulations before the Senedd. The Welsh Ministers cannot make the Regulations unless the Senedd approves the draft Regulations.

## Technical Scrutiny

No points are identified for reporting under Standing Order 21.2 in respect of this instrument.

## Merits Scrutiny

The following point is identified for reporting under Standing Order 21.3 in respect of this instrument.

### **1. Standing Order 21.3(ii) – that it is of political or legal importance or gives rise to issues of public policy likely to be of interest to the Senedd**

We note the phased introduction of the increase in NDR liability from 1 April 2023 onwards, and the cost of this to the Welsh Government as set out in the Regulatory Impact Assessment:



*This option would support an estimated 39,600 properties, at a cost to the Welsh Government of £75.2m in 2023-24 and £37.6m in 2024-25, totalling £112.8m over a two-year period.*

## Welsh Government response

A Welsh Government response is not required.

## Committee Consideration

The Committee considered the instrument at its meeting on 12 December 2022 and reports to the Senedd in line with the reporting point above.

