

BUSINESS RATES

FACTSHEET 2 (2018)

What are Business Rates?

This fact sheet gives information about non-domestic business rates, how business rates are calculated and what you should do if you occupy, leave or vacate a property. This fact sheet also gives information about how to deal with business rates arrears, what action Land and Property Services can take and how you can negotiate an arrangement to pay your debt back.

Business rates are a property tax used to fund both local and regional services in Northern Ireland. They are collected by Land & Property Services (LPS) on behalf of the Northern Ireland Executive and the district councils. There are two different rates, a domestic rate for residential properties and a business rate for non-domestic properties.

Business or non-domestic premises include most commercial properties, such as shops, offices, pubs, warehouses and factories. However, there are some exceptions:

- Places of public religious worship
- Fish farms
- Most farmland and farm buildings
- Moveable moorings
- Public parks
- Sewers
- Some properties used by people with disabilities

Do I need to pay business rates on a rental or buy to let property?

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Business rates may also be payable on domestic premises that are used for business – for example if you provide bed-and-breakfast or hire out your home as a holiday home. If you are unsure if this applies to you, **contact us for advice**.

How are mixed use properties treated?

If part of a building is used for business and part for residential purposes – such as a shop with a flat above or a solicitor's office in a domestic flat above, the part used for business counts as non-domestic premises. If you live and work in the same premises, you would normally pay business rates on the part of the property used for business and domestic rates on the residential part of the property.

What if I work from home?

If you work from home, the part of the property used for work may be liable for business rates. You will still have to pay domestic rates on the rest of the property. Whether you are charged business rates or not depends on the degree of business use. You are more likely to have to pay business rates if a room is used exclusively for business, or has been modified, e.g. as a workshop. Each case is considered individually by LPS. If you think this applies to you then **contact us for advice**.

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How are business rates set?

Your business rates bill is made up of a number of parts including the regional rate, the district rate and Net Annual Value (NAV).

Your bill is calculated by multiplying the NAV of your property by the non-domestic rate poundage (non-domestic regional rate + non-domestic district rate) for your council area for the relevant year and then applying the percentage for the year as shown below:

Business Rates are calculated as follows:	
Rateable Net Annual Value (NAV)	
×	
(Non-Domestic regional rate	+ Non-Domestic district rate)
= Rates payable	

Important Points about Business Rates

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- The person liable to pay business rates **is usually the occupier** of the property.
- If a long time has passed since your business rates arrears became due, LPS may be limited in the action that they can take against you.
Contact us for further advice.

Net Annual Value

Rates for non-domestic or business properties are assessed on their rental value, also known as the Net Annual Value (NAV). NAV is an assessment of the annual rental value that your property could reasonably be expected to be let for if it was on the open market. Each non-domestic property is valued in line with comparable properties in the area.

The current valuation list for non-domestic properties came into operation on 1 April 2015 and is based on rental values as at 1 April 2013.

For information about the NAV for your business premises go to:

www.finance-ni.gov.uk/topics/property-valuation/valuation-list

Regional and District rates

The regional rate is set annually by the Northern Ireland Executive and is applied to each district council area in Northern Ireland. The district rate is set annually by each district council in Northern Ireland.

For information about the non-domestic regional rate and non-domestic district rate for your business premises go to:

www.finance-ni.gov.uk/articles/regional-rate

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You can use the LPS online calculator to estimate your non-domestic rates bill by visiting:

<https://www.finance-ni.gov.uk/services/rates-calculator>

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Occupying and Leaving a Property

When you leave a property you must contact your local Land & Property Services (LPS) rating office otherwise you may be held responsible for rates after the date that you left.

Leaving your old premises:

When you move out of your property you must contact LPS. You should have your Account ID, Ratepayer ID and details of the new owners or people in your property to hand if you know them.

Alternatively you can complete the notification of changes form available on the LPS website. This is a writable document, which means that you can complete it on screen, print and send to LPS.

Alternatively, you can save the document to your desktop, complete the form and send as an attachment to your local rating office.

Moving into a new premises:

When you move into your new property, you must let your local LPS rating office know, otherwise you may receive a backdated rate bill. You can also advise them of how you wish to pay. Please note it is **your responsibility** to ensure LPS are aware of billing you for rates on a property, not the other way round.

Moving into a newly built premises:

If you are moving into newly built premises you should contact your local LPS valuation office. A valuer will come out to assess your property. A rates bill will then be issued based on this valuation. Please note it is **your responsibility** to ensure LPS are aware of billing you for rates on a property. **Failure to inform LPS could lead to the issue of a backdated rates bill.**

You can apply online to have your property valued which is available on the website

www.lpsni.gov.uk/vListDCV/newproperty.asp

How to Contact LPS

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You can find contact details for the LPS on the Department of Finance website or in the contact information at the end of this fact sheet. You can also **Contact us for further advice.**

What happens if I am unable to pay my business rates bill?

Payment of rates is a legal obligation and it is your responsibility to notify LPS. If you are not able to pay your rates bill you must contact Land & Property Services (LPS) immediately. For the LPS contact details see the useful contact information section at the end of this factsheet.

LPS is always willing to listen and will try to come to a suitable payment agreement with you. The information you provide will be treated in the strictest confidence.

Land & Property Services (LPS) is responsible for collecting rates that are due. There are a number of measures available to LPS to recover rates that are unpaid.

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If you do not pay your rates or contact LPS to make an arrangement to clear your account, you may be taken to court. This could mean:

- additional costs;
- your credit rating could be affected;
- you could be made bankrupt; **and**
- if you own your home it could be repossessed

If you are having problems paying your rates bill you should inform LPS immediately in the first instance as they may be able to help without the need for court action.

Business Rates are a priority debt.

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To help you budget to maintain your payments, you should complete a business and household budget sheet. We can assist you with this.

Contact us for further advice.

How can I deal with Business Rates arrears?

If you pay by monthly instalments and miss a payment, LPS will issue a reminder for the amount due. If you pay this within **seven days**, the instalment payment option remains in place. If you cannot pay the arrears within **seven days**, you should contact your local LPS rating office, as it may be possible to make different payment arrangements. If you are not set up for instalments, you will receive a final notice **40 days** after the original rates bill was issued.

What happens when I receive a final notice?

When you receive a final notice, you lose the automatic right to pay by installments and you have **ten days** to pay the full amount outstanding. You can however still contact LPS who may be able to agree a suitable payment plan.

If you do not pay the whole amount due or do not make a payment agreement with LPS, they may take you to court. They will issue process in debt proceedings and charge you extra costs without issuing any further reminders.

What happens if I receive court documents?

If you receive notice to attend court and are then able to pay the full amount claimed for before the court date, LPS will not take any further action. If you don't pay the full amount claimed for, the case will go to the Magistrates' Court on the day stated.

Once proceedings have been issued, LPS cannot make an alternative agreement with you. However, if possible you should continue to make payments to reduce the debt. **Phone us immediately for advice.**

You do not have to attend the court hearing unless you wish to dispute the amount or you have a legal matter to bring to the attention of the Magistrate.

The court will usually award a decree if you do not attend and you will receive this **two to three weeks** after the hearing. When the decree has been issued, you should contact LPS to make an arrangement to pay the outstanding amount.

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What happens after the court hearing if I am still unable to pay?

Following the court proceedings, if you do not clear the outstanding amount or make an arrangement to pay. LPS will ask the Enforcement of Judgements Office (EJO) to issue a Notice of Intention on its behalf.

If you do not pay the outstanding balance with additional costs within ten days, LPS will lodge the debt for enforcement with the EJO. Lodgment of the debt with the EJO could result in any of the following:

- Your name appearing in Stubb's Gazette or the Belfast Gazette which may affect your credit rating;
- Additional costs of £150 to £250 depending on the amount outstanding;
- An attachment of earnings order, where regular payments will be deducted from your wages if you are employed;
- An order charging land, which secures the debt on any property you own. This debt will be recovered if your property is sold;
- A garnishee order, which can be served on a bank or building society to pay out money from your account to clear the debt;
- A seizure order, which enables the EJO to seize personal property and / or valuables to cover all or part of the debt; **and**
- If the debts exceeds £750, the EJO can issue a statutory demand for the debt to be repaid. If you do not comply with this, if the debt is **above £5,000** LPS may initiate bankruptcy proceedings which can add costs and you will lose the ability to negotiate over the repayment of the debt.

LPS can apply for a Statutory Demand and petition for your bankruptcy if the debt is **above £5,000** without contacting the EJO office first.

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Contact us for further advice.

We have factsheets on 'Statutory Demands' and 'Bankruptcy' which may be of assistance to you.

Contact us for a copy or visit our website: www.adviceni.net/business-debt-service

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LPS GENERAL RATING ENQUIRIES

- Tel: **0300 200 7801** - charged at local rate.
- Tel: **0044 2890 495794** - if you are calling from outside the UK.
- Textphone: **18001 0300 200 7801**.
- Website: **www.finance-ni.gov.uk/land-property-services-lps**

For Housing Benefit and Rate Relief queries only:

- Tel: **0300 200 7802**—charged at local rate.

All general rating enquiries should be addressed to:

- **Land and Property Services Rating Services**
Lanyon Plaza
7 Lanyon Place
Belfast
BT1 3LP

You can also email LPS teams that deal with specific issues by using the email addresses below:

- **Central Collection Section / Direct Debit Scheme**

Email: ddrlpsni@finance-ni.gov.uk
- **Disabled Person Allowance**

Email:
applicationbased.raterelief@finance-ni.gov.uk

- **Further Legal Action Team**

Email:
flacratinglpsni@finance-ni.gov.uk

- **Hardship Relief Team**

Email:
applicationbased.raterelief@finance-ni.gov.uk

- **Housing Benefit**

Email:
housingbenefit.rating@lpsni.gov.uk

- **Landlords Team**

Email: landlords@lpsni.gov.uk

- **Lone Pensioner Allowance**

Email:
applicationbased.raterelief@finance-ni.gov.uk

- **Rate Relief**

Email:
housingbenefit.rating@lpsni.gov.uk

- **Small Business Rate Relief and Rate Relief for Small Post Offices**

Email:
applicationbased.raterelief@finance-ni.gov.uk

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NORTH EASTERN REGIONAL OFFICE

**Councils: Antrim & Newtownabbey
Mid & East Antrim**

Academy House
121A Broughshane Street
Town Parks
Ballymena
BT43 6HY

Email: northeastern.rating@lpsni.gov.uk

BELFAST REGIONAL OFFICE

**Councils: Belfast
Lisburn & Castlereagh
North Down & Ards**

Land & Property Services
Belfast & Eastern Rating Office
Lanyon Plaza
7 Lanyon Place
BT1 3LP

North Down & Ards Email:
eastern.rating@lpsni.gov.uk

Belfast / Lisburn & Castlereagh Email:
Email: belfast.rating@lpsni.gov.uk

SOUTHERN REGIONAL OFFICE

**Councils: Armagh City
Banbridge & Craigavon
Newry, Mourne & Down**

Marlborough House
Central Way
Tamnafiglassan
Craigavon
BT64 1AD

Email: southern.rating@lpsni.gov.uk

NORTH WESTERN REGIONAL OFFICE

**Councils: Causeway Coast & Glens
Derry City & Strabane**

Waterside House
75 Duke Street
Gobnascale
Londonderry
BT47 1FP

Email: northwestern.rating@lpsni.gov.uk

SOUTH WESTERN REGIONAL OFFICE

**Councils: Mid Ulster
Fermanagh & Omagh**

Boaz House
15 Scarffes Entry
Dergmoney Lower
Omagh
BT78 1JG

Email: northwestern.rating@lpsni.gov.uk