

BUSINESS RATES

FACT SHEET NO. 2 – NORTHERN IRELAND

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.

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 the council can take and how you can negotiate an arrangement to pay your debt back.

What are business rates?

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 disabled people

Mixed use properties

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.

Rental properties

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

Working 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. If you think this applies to you **phone us for advice**.

Important points about business rates

- 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. **Phone us for advice.**

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

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

<http://www.dfpni.gov.uk/lps>

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

http://www.dfpni.gov.uk/lps/index/property_rating/rate_poundages_2014.htm

i Information

A re-valuation of non-domestic properties in Northern Ireland has taken place and since April 2015 a new valuation list has been published and used as the NAV of all non-domestic properties.

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.

Information

You can find contact details for the LPS on the Department of Finance and Personnel (DFP) website in the contact information at the end of this fact sheet or **phone us for advice**.

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.

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.

Warning

Failure to inform LPS could lead to the issue of a backdated rates bill.

Alternatively you can complete the LPS CR3 application form to have your property valued which is available on the LPS website www.dfpni.gov.uk/lps. 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 valuation office.

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

Payment of rates is a legal obligation. 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.

You can also call in person to any LPS rating office.

Information

You can find contact details for the LPS on the Department of Finance and Personnel (DFP) website in the contact information at the end of this fact sheet or **phone us for advice**.

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.

Information

Business rates are a priority debt. To help you budget to maintain your payments, you should complete a business and household budget sheet. We can assist you with this. **Phone us for advice.**

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.

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 for advice.**

What happens at the court hearing?

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.

Information

You can find contact details for the LPS on the Department of Finance and Personnel (DFP) website in the contact information at the end of this fact sheet or **phone us for advice**.

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 judgments 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 salary/wages if you are employed;
- An order charging land, which secures the debt on any property you own. The 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 which is a formal legal demand for the debt to be repaid. If you do not comply with this, LPS may initiate bankruptcy proceedings which can add costs.

Fact sheets

We have fact sheets on 'Statutory demands' and 'Bankruptcy' which may of assistance to you. **Phone us for a copy on 0800 0838 018** or visit the website www.businessdebtline.org or www.adviceni.net.

Useful contacts

LPS General Rating Enquiries

- Tel: 0300 200 7801 - charged at local rate
- Tel: 0044 28 9049 5794 - If you are calling from outside the UK
- Textphone: 18001 0300 200 7801
- Website: www.dfpni.gov.uk/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 & Property Services
Rating Services
Lanyon Plaza
7 Lanyon Place
BELFAST
BT1 3LP

North Eastern Regional Rating Office

Councils – Antrim and Newtownabbey, Mid and East Antrim

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

email: northeastern.rating@lpsni.gov.uk

Belfast Regional Rating Office

Councils - Belfast, Lisburn and Castlereagh, North Down and Ards

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

email: eastern.rating@lpsni.gov.uk

email: belfast.rating@lpsni.gov.uk (Belfast & Castlereagh councils)

Southern Regional Rating Office

Councils - Armagh, Banbridge and Craigavon, Newry Mourne & Down

Marlborough House
Central Way
Tamnafiglassan
CRAIGAVON
BT64 1AD

email: southern.rating@lpsni.gov.uk

North Western Regional Rating Office

Councils – Causeway Coast and Glens, Derry and Strabane

Waterside House
75 Duke Street
Gobnascale
LONDONDERRY
BT47 1FP

email: northwestern.rating@lpsni.gov.uk

**Councils – Mid Ulster,
Fermanagh and Omagh**

Boaz House
15 Scarffes Entry
Dergmoney Lower
OMAGH
BT78 1JG

email: southwestern.rating@lpsni.gov.uk

Remember: You can always contact us for advice about any difficulty you have in dealing with your debts. Advice and information for businesses in NI is provided by Business Debtline working in partnership with Advice NI.

Freephone 0800 0838 018 Websites www.businessdebtline.org www.adviceni.net

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