

## Business Rates Fact Sheet

Business rates are a tax on all non-domestic properties in England, unless specifically exempt from rating. The amount you pay reflects the value of the property (rateable value “RV”) multiplied by the tax rate (multiplier) less any relevant reliefs.

Further to the government’s recent Business Rates Review, the Autumn Statement included important changes to business rates which may affect you:

<https://www.gov.uk/government/publications/autumn-statement-2022-business-rates-factsheet/autumn-statement-2022-business-rates-factsheet>

In addition, we have put together this fact sheet to assist you with the upcoming changes. The conclusions can be summarised as follows:

### 1. Freezing the multiplier for 2023/24

The standard multiplier for 2022/23 is 51.2p and the small business multiplier is 49.9p. These will remain unchanged for 2023/24.

### 2. Extending and increasing business rates relief for retail, hospitality, and leisure for 2023/24

To support high street properties the government is extending and increasing the Retail, Hospitality and Leisure relief scheme from 50% to 75% for 2023/24, up to £110,000 per business.

### 3. Reforming Transitional Relief from April 2023

The government is permanently removing downward caps so if your rates bill is reduced due to revaluation, your business will benefit from the full decrease straight away.

There will be a new three-year Transitional Relief scheme capping increases in rates bills. For small properties (up to £20,000 RV) bill increases will be capped at 5% for 2023/24, 10% plus inflation for 2024/25 and 25% plus inflation for 2025/26.

#### Worked example

2017 RV £14,000	£14,000 (RV) x £0.499 (Small business multiplier)	£6,986
	Less 33% Small business rates relief	<u>£2,305</u>
	<b>Rates payable 2022/23</b>	<b>£4,681</b>
2023 RV £15,250	£15,250 (RV) x £0.499 (Small business multiplier)	£7,610
	<b>Rates payable 2023/24 with 5% transitional relief</b>	<b>£4,915</b>
	<b>Rates payable 2024/25 with 10% transitional relief*</b>	<b>£5,407</b>
	<b>Rates payable 2025/26 with 25% transitional relief*</b>	<b>£6,758</b>

\* does not take into account inflation

### 4. Supporting Small Business scheme 2023/24

The government is also protecting small businesses that, due to revaluation, will lose their eligibility for either Small Business Rate Relief (SBRR) or Rural Rate Relief (RRR).

The Supporting Small Business scheme restricts bill increases to no more than £600 for the 2023/24 tax year for eligible properties.