

Rating Revaluation changes could cost businesses dearly



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With the first revaluation of business rates since 2010 due to take effect in April 2017, it is wise for all businesses that are liable for this tax to be prepared.

Rateable Values are assessed by the Inland Revenue Valuation Office and, for the forthcoming revaluation, this represents the annual rent that the premises would have been expected to achieve at 1st April 2015. It is anticipated that many businesses will see significant increases in their business rates payments.

The relevant date in respect of the current rating list is April 2008, which pre dates the credit crisis that affected the country. This is one reason why the Government decided to defer the usual revaluation (once every five years) for a further two years in the hope the rental market had recovered and there were no adverse effects on tax income from business rates.

We will shortly get access to the draft rating list, due to be released at the end of September, which will give rating advisers an opportunity to forecast changes to rate bills and to consider the benefits of following the appeals process.

With the likely business rate increases many businesses will no doubt want to challenge their liability but there are to be many changes to the appeals process which will involve an onerous check, challenge and appeal process. This replaces the straightforward approach currently in operation.

The changes are set to cause many difficulties for experienced rating advisers, let alone businesses that are not represented, as there are a number of proposed regulation changes still being discussed. One proposal is that even

if you manage to jump the hurdles to have your appeal heard at a Valuation Tribunal, the onus will be on the ratepayer to prove that the assessment is outside the bounds of "reasonable professional judgement" which is not defined and could mean businesses are forced to pay far more than they should.

It is clear that the revaluation will not be universally popular, but the route to making a stand against the revised rate bill without professional guidance will be even less so.

Rapleys, a property and planning consultancy, has significant experience providing specialist business rates advice. For over 30 years Rapleys has successfully reduced clients' operational costs and over the life of the 2010 rating list has saved over £60 million to date for clients including Thomas Cook, Marshall Motor Group, Spicerhaart, Tesco, Dreams, Majestic Wines & Topps Tiles.

We work across a range of sectors including automotive & roadside, charities/non profit, healthcare, industrial & distribution, office, residential, retail & leisure, and transport & infrastructure.

If you would like advice on your business rates and the implications of the revaluation, please don't hesitate to get in touch with the Rapleys rating team.