

Pembrokeshire County Council Briefing Note to Charities and Not for Profit Organisations.

Mandatory rate relief for charities

Relief available

Organisations that are recognised as charities for UK tax purposes can apply for 80 per cent relief from the business rates if:

- The charity (or trustees of the charity) is the rate payer, and
- The charity uses the property wholly, or mainly, for charitable purposes

If the property is unoccupied, the intention must be to use it for charitable purposes.

For charity shops, the charity must use the property wholly or mainly to sell goods donated to it. It must also use the net proceeds for the purposes of the charity.

About charities

A charity is an organisation established for charitable purposes. To have charitable status usually means that you are included in the Charity Commissioner's register of charities. There are some charities that do not need to register; these are known as 'excepted charities' and include organisations such as:

- The Church Commissioners
- Some Scout Association and Guide Association units
- Voluntary schools

If you are not in the register of charities or an 'excepted charity', we can still treat you as a charity if you have a letter from HM Revenue and Customs stating that, for tax purposes, you are treated as a charity.

Discretionary rate relief

Any organisation that qualifies for 80 per cent mandatory rate relief may also apply for discretionary relief for all or part of the remaining 20 per cent of its bill.

If an organisation is not a charity, but has been set up for religious, social welfare, artistic, educational or recreational purposes, and is not run to make a profit, we can grant up to 100 per cent discretionary rate relief.

Please note that you must include a copy of your constitution and two years of audited accounts with your application.

Discretionary rate relief can only be backdated for 6 months after the end of the financial year e.g. a decision has to be made by the 30.9.20 to allow us to backdate to 1.4.19. Any rate liability prior to this date will be the responsibility of the ratepayer.

If you have had a business rate demand recently for the first time this is due to you contacting the Valuation Office Agency and requesting the property to go onto the rating list. If you disagree with the decision of the VOA, for example you feel the date is incorrect or rateable value is too high, you can appeal against their decision and should visit their website for further details:-

www.gov.uk/government/publications/business-rates-proposal-to-alter-the-2017-rating-list-for-wales

We do have a number of requests for charitable/discretionary relief that have been received within the last couple of weeks which we have not had the opportunity to consider. If you have not made an application as yet please do so as soon as possible providing the above information. If you require a form please email revenue.services@pembrokeshire.gov.uk.

If you require any further information please contact Revenue Services by emailing revenue.services@pembrokeshire.gov.uk or by telephoning 01437 764551 and selecting the option for business rates.