

Proposed changes to council tax

- **Class A exemption** – This exemption removes the liability of owners to pay council tax, for a maximum period of one year, whilst their properties are undergoing structural repair or alteration. The Government intends to change the exemption to a discount and give billing authorities power to determine a discount of 0% to 100%.
- **Second homes** – As a Council we resolved, some years ago, that second homes should receive a discount of 10%. The Government has announced that billing authorities will be permitted, in due course, not to award a discount.
- **Empty homes premium** – We currently charge 90% of the full council tax in respect of properties that have been empty for more than six months. The charge is not time-limited and therefore lasts as long as the property remains empty. The Council decided on a 90% charge having had regard to its, then, Empty Homes Strategy and wishing to encourage owners of such properties to make them available for occupation. The Government has recognised that there should be some further incentive for owners to bring such properties back into use. It therefore proposes to give billing authorities power to charge a ‘premium’ level of council tax on such properties that have been empty for more than two years. The maximum, permissible premium will be 50%, thereby bringing the total council tax charge for the property to 150% of the full council tax charge for the property.
- **Long-term empty properties** - Although not part of the Government’s proposals, Members might wish, in the light of the foregoing, to consider whether they wish to abide by their previous decision to grant a 10% discount to properties that have been empty for more than six months. The decision to award a 10% discount was made, in part, to align the level of discount on such properties to that applying to second homes (see above).
- **Instalment schemes** – Unrelated to the establishment of local schemes, Members need to be aware of another of the changes that the Government proposes to bring forward. This relates to the number of instalments for payment of council tax. Currently, council tax payers have the right to pay by means of ten, monthly instalments, unless they agree to an alternative arrangement. It is proposed that they will have the right to pay by twelve, monthly instalments if they so choose. However, if they fail to choose to pay over twelve months, then the default number of instalments will remain at ten.