

How is the Business Rates bill calculated?

We use two figures to arrive at the basic Business Rates bill: the **Rateable Value (RV)** of the property and the Business Rates **multiplier**. The **RV** is set by the Valuation Office Agency (VOA), who base it on the yearly rent the property could have achieved on 1 April 2008, if let on the open market. This was a date used by the VOA when they last reviewed all valuations in 2010. By using a set date, it ensured that every property's valuation was sampled fairly at exactly the same time. The next revaluation is set to take place in 2017.

The **multiplier** is set each year by central government and it is used in conjunction with the **RV** to work out the basic charge. This year, the standard multiplier is **47.1p**. So...

RV is £20,000

Multiplier is 47.1p

Charge is £9420 (£20,000 x 47.1p)

There's a lower multiplier of **46.2p** for occupied properties with **RV** of less than £18,000.

If the **RV** is less than £12,000, the ratepayer could also qualify for Small Business Rate Relief. Each year the multipliers change in line with inflation, and to take into account the cost of Small Business Rate Relief. Legislation sets down a formula for the government to use in calculating new multipliers for the whole of England.

