

## Government drops £400m empty rates bombshell



Bob Neill, the Local Government Minister, announced that Empty Property Business Rates Relief has effectively been scrapped.

At present, owners of vacant commercial properties with a rateable value below £18,000 RV do not have to pay an "empty rates" levy - which taxes buildings empty for more than three months.

However the Local Government Minister revealed on Monday in a written ministerial statement that the Coalition will cut the empty rates exemption threshold to just £2,600 RV from 01 April 2011, in a move that will boost tax revenues by £400m.

The £400m estimate is far higher than the £135m cost the previous Government stated for the tax and may be an indication that the number of empty properties in England has increased sharply.

**Alder King has a specialist Empty Rates Team with a detailed understand of rating legislation.**

**For further information about mitigating this most unwelcome tax please call Simon Price or Alan Morrish, Partners at the Bristol office of Alder King on 0117 317 1000.**

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