



Business rates currently generate around £2.5 billion in revenue for the Scottish Government.

## Why are business taxes important?

Business rates, or the non-domestic property tax, have been a key concern for businesses in the North-east. Revaluations take place every five years.

The last revaluation in 2011 resulted in North-east businesses having a disproportionate increase in rates when compared to businesses in the rest of Scotland. In the Chamber's 2013 Retail Study, business rates was identified as one of the biggest barriers to business growth in Aberdeen city centre.



The Conservatives want to reform business rates and wish to make revaluations more frequent (at least every 3 years). They would also freeze business rates until 2021.

Labour supports changes to the business rates regime to make it more transparent. They have proposed a new tourist tax and a tax on vacant, economically inactive land.

The Lib Dems support a full review of business rates, to reconsider the penalties businesses face when they improve their premises and the difficulties for start-ups.

The SNP commits to a "revenue neutral" Scottish Government review of business rates led by former RBS chairman, Ken Barclay. They support keeping the Small Business Bonus scheme until at least 2021.

The **Greens** want to give local authorities the power to set the rates for 50% of a property's value, to review the system of reliefs, and shift from a property value rating system to a land value tax. **UKIP's** manifesto pledges to reduce business rates.

## Further information

The Small Business Bonus Scheme is a relief for businesses which occupy property with a rateable value under £35,000. Businesses with a rateable value below £35,000 can receive reliefs of 100%, 50% or 25%, depending on the value of the property.

Large businesses are also liable for the Large Business Supplement, which adds an additional amount on their rates bill. It was increased from 1.3p to 2.6p in April 2016. Likewise, there were a cut in the length of time in which businesses can claim empty property relief.

## Important Updates

**What does North-east business want from the next Scottish government?**

Read it here [bit.ly/1Ddlo5l](http://bit.ly/1Ddlo5l)

*These papers have been drafted by the AGCC policy team using the information publicly available on date. More information will be added as and when it becomes available.*