



Liability (including Discounts and Exemptions)

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1. Introduction

On 1 April 1993 the Council Tax replaced the community charge (or "poll tax") as the way people contribute to the cost of local services. This is one of a series of leaflets about the Council Tax.

This leaflet explains who is responsible for paying the Council Tax in Scotland, how the discount and exemption system works and which types of property will be exempt from the tax. General information on Council Tax is given in the leaflet ['Council Tax - A Guide'](#).

Council Tax is payable in respect of any dwelling which is not an exempt dwelling. It is for the local assessor to determine whether or not a property is a dwelling but in general all houses are regarded as dwellings and the definition includes certain other residential accommodation, for example self-contained staff accommodation within a hotel and caravans used as someone's sole or main residence.

WHO IS LIABLE?

2. How can I tell who has to pay?

There is only one Council Tax bill for each dwelling. To work out who will have to pay for your house (or "dwelling"), look down the list below. As soon as you reach a description which applies to someone in your house, that person will be responsible for the bill (and will be the "liable person").

- a. a resident who owns the property;
- b. a resident who is a tenant;
- c. a resident who is a statutory, statutory assured, or secure tenant;
- d. a resident who is a sub-tenant;
- e. any other resident;
- f. the non-resident owner unless there is a non-resident tenant or a non-resident subtenant, either of whom have a lease of six months or more.

A "resident" is a person of 18 years or over who lives in the dwelling as his or her sole or main residence.

These rules mean that the owner-occupier(s) or tenant occupier(s) (including local authority tenant(s)) will usually have to pay the tax. If the property is empty - or it is no one's main home, for example a second home, liability will fall on the owner subject to paragraph f. A tenant will not have to pay the Council Tax if the landlord lives in the same dwelling. These rules do not apply in some special cases, these are described below.

3. What happens if someone has more than one residence?

In the case of people who have more than one residence, it is necessary to determine which is their main residence. This is a matter for the council to decide in the first instance, although an appeal may be made against their decision. Once the local authority has decided which of someone's residences is their main residence, they may be liable for the Council Tax on it as a resident occupier, resident tenant or simply as a resident. Liability for their other residences will depend on whether or not these are used by someone else as a sole or main residence. If

they are no one's main residence, then a discount, or possibly an additional charge will be applied (see section on discounts/Additional charge for certain long term empty property).

4. What if there is more than one liable person?

People who are joint owners or joint tenants are jointly liable for the one Council Tax bill for the dwelling. Spouses and civil partners of liable people are also jointly responsible for paying the bill provided they are living together in the property, whether or not they are joint owners or joint tenants. This also applies to individuals living together as civil partners or as a married couple. Where one of these jointly liable people is severely mentally impaired that person will not be jointly liable unless they are the sole owner or sole tenant in which case they will remain liable.

5. Will each liable person get their own bill?

No. Your local authority will normally send just one bill, addressed either to one liable person or (if the local authority is aware that there is more than one liable person) in the joint names of several liable persons. One of the jointly liable persons must pay the full bill; how they share the cost is a matter for them to decide among themselves.

6. When are residents not liable?

In some special cases the owner, not the residents, will have to pay the Council Tax. The principal examples are:

- dwellings occupied by more than one household where the people living there have exclusive access to separate parts of the dwelling, but may perhaps share cooking or washing facilities. Probable examples are some hostels, nurses' homes or groups of bed-sits;
- religious communities such as monasteries or convents;
- dwellings which are not the owner's main home, but which are the main home of someone whom the owner employs in domestic service.

If you live in one of these dwellings, where the owner is liable, **you will not be liable for payment of the Council Tax.** If your landlord is the liable person, they might be able to ask you to pay something towards the bill, depending on the terms of your tenancy agreement with them.

For a manse or other dwelling occupied by a minister of religion as their home and place of work, the body responsible for the minister's remuneration will be responsible for the bill.

7. How will local authorities know who is liable?

Local authorities have statutory powers which enable them to seek information for the purpose of identifying who the liable person is in relation to a dwelling. If, therefore, your local authority sends you a form you should complete it and return it to them. **If you don't return the form within 21 days, you may face a penalty of up to £500.** In cases where they have not been able to establish the name of the liable person(s) they may send the bill for a dwelling addressed to "The council tax payer(s)".

8. What if I disagree with the local authority's assumption on who is liable?

You should be able to reach an agreement by phoning your local authority directly. If not you should write to the local authority explaining what you object to and why. The authority will have two months to provide an answer. If you still disagree with the authority, or if it has not acted within the two month period, you will be able to appeal to a Valuation Appeal Committee.

You must continue to pay your original bill while your appeal is outstanding.

9. What happens if I move?

The Council Tax is worked out on a daily basis. If you move home you may stop being the liable person for your old home, and may become the liable person for your new home. You should tell your local authority about your move so that it can adjust your bill and make sure you pay the right amount. This is especially important if you move to a new local authority area as you may be due a refund, depending on the method you used to pay the Council Tax and how much has already been paid.

DISCOUNTS/ Additional charge for certain long term empty property

10. What is a discount?

The full Council Tax bill assumes that there are two adults (persons of 18 or over) living in a dwelling. If only one adult lives in a dwelling the Council Tax bill will be reduced by a quarter (25 per cent).

If a dwelling is not a main home - perhaps because it is a second home - then the dwelling could be eligible for at least a 10% discount. This is due to local authorities having discretion to set discounts for second homes and long-term empty homes between 10% and 50%.

However, there are exemptions to this to ensure that the following properties can be eligible for a 50% discount:

- Purpose built holiday chalets which are restricted from being occupied throughout the year.
- Tied accommodation which a person must stay in for work purposes.
- Empty Dwellings (a 50% discount will be retained for 6 months after the initial 6 month exemption)
- Dwellings requiring repair

Armed Forces Personnel are among those who may benefit from a 50% discount if they have a job related dwelling, should they meet the criteria. It is for the relevant local authority to interpret and apply the legislation, therefore any enquiries should be taken directly to them.

The relevant legislation is the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013, which can be accessed by following the link below.

<http://www.legislation.gov.uk/ssi/2013/45/contents/made>

If the property has been empty for 1 year or more and has not been occupied for at least 25 days in a consecutive 12 month period, it will be classed as a long-term empty property. The council may place an additional Council Tax charge on the property. This additional charge could be a maximum of 100% of the relevant council tax charge had the property been occupied, i.e. the council can charge. This discretionary power is to encourage owners of empty homes to bring their property back into use. It is for councils to decide locally whether or not the increase is appropriate in their area and the circumstances of the properties. If the property is on the rental or sales market it could be exempt from the increase for a period of 2 years from date of last occupation, you will still need to pay council tax but at a reduced rate.

For further details, you should contact your local authority.

The bill will not be increased if there are more than two adults in the dwelling or, where a discount applies, if extra adults are present but only as short-term visitors.

11. How will discounts work and will I get one?

Certain people are not counted when looking at the number of adults resident in a dwelling. For example, if there are two adults in a dwelling, and one of them is in one of the special groups set out below, the bill will be worked out as if only one adult lives there and will be reduced by one quarter.

To find out if a discount may apply to your home, you should count the number of adults who live there as their main home, but who are not in one of the special groups. If you are left with two or more people, there will be no discount. If there is one person, your bill may be reduced by one quarter. If no one uses it as their sole or main residence, you may get your bill reduced by one half.

12. Who will not be counted?

The following people will not be counted in deciding the Council Tax payable in respect of a house if they meet certain conditions:

- 18 and 19 year olds who are at, or who have just left, school or certain other educational establishments;
- older full-time students, student nurses, apprentices and Youth Training trainees;
- patients resident in hospital;
- people who are being looked after either in private hospitals or in accommodation provided by a care home service in which they are receiving treatment or a high level of care or both;
- people who are severely mentally impaired;
- people kept in hospital under the Mental Health (Scotland) Act 1984;
- people staying in certain hostels or night shelters (like those run by the Salvation Army);
- careworkers working on low pay usually for charities (such as Community Service Volunteers);
- people caring for someone with a disability who is not their spouse or partner or a child of their's under 18;
- members of certain religious orders;

- convicted and remand prisoners.

13. Am I still liable if I am not counted for the bill?

If you are a liable person and a discount is awarded because of your status, or you are not counted because you do not live in the property, you will still be responsible for paying the smaller amount. (There is an exception to this general rule in the case of people who are severely mentally impaired who would otherwise be jointly liable; in most cases they will cease to be liable).

14. What are the conditions for not being counted?

Separate leaflets are available which explain the conditions for the following people:

- [students and young adults](#);
- [people who have special needs and their carers](#).

The conditions for the other main groups are explained below.

People staying in certain hostels or night shelters

Some dwellings, such as short stay hostels or night shelters, provide communal accommodation for people who have no fixed abode and no settled way of life. These may include hostels run by the Salvation Army or church. Anyone whose main or only home is in this type of dwelling will not be counted.

Members of certain religious orders

You will not be counted if you are a member of a religious community whose main work is prayer, contemplation, the relief of suffering, education or any combination of these, provided that you depend on the community for your material needs and have no personal income (other than a pension or pensions from a former job) or capital.

People in Prison

People who are in prison (whether on remand or following conviction) will not be counted. People will, however, be counted if they are imprisoned for non-payment of a fine or if they are imprisoned in England and Wales for not paying Council Tax there.

15. How will local authorities know where discounts apply?

Local authorities may initially use their existing records to find out where discounts may apply. But some will send out forms asking for information so that they can work out which dwellings should get discounts. If you get a form asking about residents, completing and returning the form may speed up the award of a discount.

When your local authority sends out its bills, it will have decided whether or not a discount should be applied to the bill for your property. If the bill you receive does not include a discount, or includes a 25% discount and you think that a 50% discount should apply, you should write to your local authority explaining why. They may ask you for further information and it is in your interests to provide this quickly. Entitlement to discount is assessed on a daily basis and may change if your circumstances change.

You have a statutory obligation to notify your local authority if a discount which has been applied to your bill should be withdrawn or reduced. If you do not inform the local authority within 21 days you may face a penalty of up to £500.

16. What evidence do I need to support a claim?

Your local authority will tell you what evidence you will need to provide in support of a claim, depending on the grounds on which you are applying for a discount. For example, students and student nurses may be asked to provide a certificate from their college or university. Colleges have to give certificates if a student or student nurse asks for one (provided the request is made while they are a student or student nurse or within a year of the person ceasing to be a student or student nurse).

17. What if I disagree with the local authority's decision on my entitlement to a discount?

Once the local authority has made a calculation of your Council Tax, you should write to them giving the reasons why you think you should get a discount. The authority has two months to make a decision. If the authority still refuse to give you a discount, or if you are given a smaller discount than you feel you are entitled to or if it has not acted within the two month period, you will be able to appeal to a Valuation Appeal Committee. You must continue to pay your original bill while your appeal is outstanding.

REDUCTIONS

18. What reductions are available?

There are two main classes of reduction which apply to Council Tax. These are:

- Disability reduction; and
- Council Tax Reduction (CTR).

19. Disability reduction

Where an individual requires adaptations to their home as a result of a disability, they may be entitled to a reduction. This will result in a reduction of liability based on the banding of the property. For example, where person A lives in a Band D property but has an adapted room qualifying for a disability reduction, the property will be treated as if it occupied the lower band (Band C) when calculating liability.

Where applications are made for a Band A property, the reduction will be equivalent to one ninth of the band D charge. This will have the effect of a one-band reduction to band A, had a lower band existed.

20. How do I apply?

Local authorities are responsible for considering requests for reductions and so you should contact them in the first instance. If you disagree with a decision, you may ask the local authority to review this. If, following this review, you still disagree then you may seek to appeal to the Valuation Appeal Committee. Further details and information on appeals and Valuation Appeal Committees are set out in our '[How to Appeal](#)' and '[Valuation Appeal Committee: Appeal Procedures](#)' leaflets or by contacting the Council Tax Team in the Government.

21. Council Tax Reduction

On 1 April 2013, Council Tax Benefit (CTB) was abolished by the UK Government with responsibility for future support transferring to Scottish Ministers, along with a cut in funding of 10 %. In order to protect entitlement to support for vulnerable people, the Scottish Government and Local Government reached agreement to fill this 10 % gap in funding for 2013/2014 and 2014/2015 and this agreement will once again roll forward in 2015/2016.

Prior to its abolition, Council Tax Benefit was administered by local authorities on behalf of the Department of Work & Pensions (DWP), who met the costs of benefits and the administration of the system. Individuals in receipt of CTB received a Council Tax bill net of the benefit paid by DWP.

In Scotland, this support is now being provided instead through a different system, called Council Tax Reduction (CTR). Under the Council Tax Reduction scheme, individuals now receive a Council Tax bill reflecting that their liability has been reduced.

Although completely separate from CTB and not part of the social security system, CTR is intended to provide the same entitlement to support for the individual. This means that unless your circumstances have changed, you should be entitled to a Council Tax Reduction which provides the same level of support you would have received had CTB still been in effect.

22. How do I apply?

As with disability reductions, local authorities are responsible for administering CTR. You should contact your local authority if you wish to apply.

As with CTB, where you have a change of circumstances which could affect your entitlement you must inform your local authority.

23. Reviews of decisions

If you disagree with your local authority's decision on an application for CTR (either a decision not to provide a reduction or against the level of reduction applied) you may in the first instance ask the authority to review their decision. If you still disagree after this process is complete then you can seek a formal Review from the Council Tax Reduction Review Panel, which is an independent body. Further information on how to appeal and the process to be followed can be found in our leaflets entitled [How to Appeal](#) and [Appeal Procedure](#).

24. What sort of dwellings are exempt?

Some dwellings are exempt from the Council Tax altogether. These include dwellings where all the residents are students and some empty dwellings.

The following paragraphs broadly explain which types of dwelling will be exempt and where they will be exempt only for a specified length of time.

Exemptions

The following types of dwelling will be exempt:

Unoccupied dwellings, subject to a time limit

- dwellings which are unoccupied and (except in the case of dwellings owned and last occupied by a charity) unfurnished, for up to six months. Periods of occupation of up to six weeks within the six month period will be disregarded;
- new dwellings, for up to six months so long as they remain unoccupied and unfurnished;
- unoccupied dwellings, which were previously occupied by students, for a period of up to four months. Periods of occupation of up to six weeks within the four month period will be disregarded;
- unoccupied dwellings for which liability falls to be met from the estate of a deceased person provided that no grant of confirmation to the estate has been made or no more than six months have passed since such a grant was made;
- dwellings which are incapable of being lived in because of being structurally repaired, improved or reconstructed can be exempt for up to 12 months from the last occupation day;

Unoccupied dwellings, without a time limit

- unoccupied and unfurnished dwellings which were last occupied together with agricultural lands;
- dwellings whose occupation is forbidden by law, or which are kept unoccupied because of impending compulsory purchase;
- dwellings owned by a council or a Registered Social Landlord which are being kept unoccupied with a view to demolition;
- unoccupied dwellings where the liable person was formerly resident and has moved to receive personal care, whether in a hospital, a home or elsewhere. The liable person must have been away for this reason since they left;
- unoccupied dwellings where the liable person has moved in order to provide personal care to another person. The liable person must have been away for this reason since they left;
- unoccupied dwellings where the liable person is in prison (except for non-payment of a fine or the council tax in England and Wales). The dwelling must have been their main home immediately before they went into prison;
- unoccupied dwellings which have been repossessed by a mortgage lender;
- certain unoccupied dwellings which are within the curtilage of another dwelling, are

difficult to let separately and for which the liable person is resident in that other dwelling - for example, empty "granny flats" or staff accommodation in a larger property;

- manses and similar dwellings which are unoccupied awaiting occupation by ministers of religion;
- unoccupied dwellings where all the liable persons are students;
- unoccupied dwellings which are not the sole or main residence of anyone other than students. The students must have lived there immediately before taking up their course of study;
- unoccupied dwellings where the only liable person is a trustee in bankruptcy;

Dwellings which may be occupied

- dwellings which are the sole or main residence only of people under the age of 18 years;
- dwellings occupied only by students and student halls of residence;
- dwellings used as trial flats by registered housing associations;
- dwellings owned by the Secretary of State for Defence and held for the purpose of armed forces accommodation (though payments in lieu of council tax will be paid in respect of these dwellings).

25. What should I do if I think my dwelling is exempt?

If you own, or live in, a dwelling which you think might be exempt, you should write to your local authority setting out the reasons why you think it might be exempt and giving as much information as possible to support your case.

26. Will I get a bill for an exempt dwelling?

If you own one of these types of dwelling you should not receive a Council Tax bill for it, but the council will send you information to let you know the valuation band for the property and what the Council Tax would be if it were not exempt.

If the council notifies you in writing that it believes your property is exempt, but you realise that it should not be, you must write and tell the council or you may face a penalty.

27. What can I do if the local authority says my property is not exempt?

If the local authority decides your dwelling is not exempt and you disagree, you should write to the council giving the reasons why you think your property should be exempt. The authority has two months to provide an answer. If you still disagree with the authority, or if it has not acted within the two month period, you will be able to appeal to a Valuation Appeal Committee. You must continue to pay your original bill while your appeal is outstanding.

28. How can I find out more?

This leaflet covers the main aspects of liability for the Council Tax. It does not cover every detail and should not be regarded as a comprehensive statement of the law.

If you need further information you should contact your council.

If you have general enquiries about the Council Tax you can write to:-

Council Tax Enquiries
The Scottish Government
Area 3-J North
Victoria Quay
EDINBURGH
EH6 6QQ
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