

COUNCIL TAX (COMMUNITY CHARGE)

What is council tax?

Council tax is a system of local taxation collected by local authorities. It replaced the community charge (poll tax) on 1 April 1993. It is a tax on domestic property. Generally, the bigger the property is, the more tax will be charged. Some property will be exempt from council tax.

If you have a query about community charge, for example, because you are in arrears, you should consult an experienced adviser, for example, at a Citizens Advice Bureau.

Valuation bands

Each local authority keeps a list of all the domestic property in its area. This is called the valuation list. Each property is valued at April 1991 prices and put into a valuation band. A different amount of council tax is then charged on each band.

Finding out what band a dwelling is in

To find out what band a dwelling is in you can: -

- inspect a copy of the valuation list
- look at the council tax banding lists published on the internet by the Valuation Office Agency
- check with your local authority in advance of receiving a council tax bill
- if you are the liable person, you can also find the valuation band from the council tax bill or from an alteration to the valuation list by the listing officer.

A copy of the valuation list is kept at the local authority's main offices and is available for public inspection. Local authorities may also make the list available in other offices, including libraries. You can look at and make copies of the valuation list at the local authority's office or at the local valuation office. There may be a small charge.

If an alteration is made to the valuation list, including adding a new dwelling to the list, the listing officer will inform the liable person.

Properties exempt from council tax

Some property is exempt from council tax altogether. It may be exempt for only a short period, for example, six months, or for a longer time.

Properties, which may be exempt, are: -

- empty property
- property which is undergoing major repairs or alterations
- condemned property
- property which has been re-possessed by a mortgage lender
- property unoccupied because the person who lived there now lives elsewhere because they need to be cared for, for example, in hospital (or with relatives)
- property which is unoccupied because the person who lived there has gone to care for someone else
- any property that only students live in - this may be a hall of residence, or a house
- a caravan or boat on a property where council tax is paid
- a property where all the people who live in it are aged under 18
- a property where all the people who live in it are either severely mentally impaired or are students or where there is a mixture of both
- a self-contained 'granny flat' where the person who lives in it is a dependent relative of the owner of the main property.

In addition, in Scotland, the following properties are also exempt: -

- unoccupied agricultural dwellings
- housing association 'trial' housing
- a building owned by a registered social landlord which is waiting for demolition.

If you think that your property should be exempt, you should consult an experienced adviser, for example, at a Citizens Advice Bureau.

Who has to pay council tax?

Usually one person, called the liable person, is liable to pay council tax. Nobody under the age of 18 can be a liable person. A man and woman living together will both be liable, even if there is only one name on the bill.

Usually, the person living in a property will be the liable person, but sometimes it will be the owner of the property who will be liable to pay.

The owner will be liable if:-

- the property is in multiple occupation, for example, a house lived in by a number of people who all pay rent, but no-one is responsible for paying the whole of the rent; or
- the people who live in the property are all under the age of 18; or
- the people who live in the property are all asylum seekers who are not entitled to claim benefits including council tax benefit; or
- the people who are staying in the property have their main homes somewhere else; or
- the property is a care home.

If you think that the owner of the property should be paying the council tax, you should consult an experienced adviser, for example, at a Citizens Advice Bureau.

If only one person lives in a property they will be the liable person. If more than one person lives there, a system called the hierarchy of liability is used to work out who is the liable person. The person at the top, or nearest to the top, of the hierarchy is the liable person. Two people at the same point of the hierarchy will both be liable.

The hierarchy of liability in England and Wales is:

1. A resident who lives in the property and who owns the freehold
2. A resident who lives in the property and who has a lease or who is an assured or An assured shorthold tenant
3. A resident who lives in the property and who is a protected, statutory or a secure tenant.
4. A resident who lives in the property and who is a licensee. This means that they are not a tenant, but have permission to stay there.
5. Any resident living in the property, for example, a squatter.
6. An owner of the property who does not live there.

The hierarchy of liability in Scotland is:

1. A resident who owns all or part of the dwelling
2. A resident who is a tenant of all or part of the dwelling
3. A resident who is a statutory, statutory assured or secure tenant of all or part of the dwelling
4. A resident who is a sub-tenant of all or part of the dwelling
5. A resident with no security of tenure
6. A non-resident owner of any part of the dwelling unless there is a non- resident tenant or sub-tenant who has a lease (or sub-lease) of six months or more.

How much is the council tax?

Each year, every local authority will set a rate of council tax for each valuation band. Not everyone will have to pay the full amount of council tax. There are three ways in which your council tax bill may be reduced. These are:-

- the reduction scheme for disabled people
- discounts
- council tax benefit and second adult rebate.

Reduction scheme for people with disabilities

If there is someone (adult or child) living in a household who has a disability the council tax bill for the property may be reduced. The reduction is made by charging council tax on a lower valuation band than the one the property is in. For example, if the property is in band D, the council tax bill will be worked out as if it were in band C. From 1 April 2000, this reduction also applies to dwellings in band A.

To claim a reduction you must show that a disabled person lives in the property, and also that the property meets that person's needs.

An application for this reduction must be made in writing to the local authority. Many local authorities will have a special application form. Some will ask for supporting evidence, for example, a doctor's letter.

If you think that you may be entitled to a reduction because someone in your household is disabled you should consult an experienced adviser, for example, at a Citizens Advice Bureau.

Discounts

If only one person lives in a property they will get a 25% discount on the council tax bill. When working out how many people live in a property, some people are not counted. These are called disregarded people. If everyone who lives in the property is disregarded, there will still be a council tax bill, but there will be a 50% discount. People are disregarded when they are:-

- aged 17 or under
- living in the property temporarily and who have their home somewhere else
- prisoners
- in detention prior to deportation or under mental health legislation
- defined as a severely mentally impaired person
- full-time students on a qualifying course of education
- a spouse or a dependant of a student and a non British Citizen who is not allowed under immigration rules, either to work in the UK or claim benefit
- Student nurses/Project 2000 student nurses
- young people on government training schemes, apprentices, or foreign language assistants
- hospital patients who live in hospital
- living in a residential care home, nursing home, or mental nursing home where they receive care or treatment
- living in a hostel which provides care or treatment because of a person's old age, physical or mental disability, past or present alcohol or drug dependence or past or present mental illness and in England and Wales a bail or probation hostel
- care workers
- staying in a hostel or night shelter, for example, in a Salvation Army or Church Army hostel
- school or college leavers still aged under 20 who have left school or college after 30 April. They will be disregarded until 1 November of the same year whether or not they take up employment
- aged 18 and someone is entitled to child benefit for them. This includes a school or college leaver in remunerative work, or a person in local authority care
- members of a religious community
- members of visiting armed forces and their dependants.

A local authority may automatically send a council tax bill which includes a discount. The discount will be shown on the bill. If you believe that you are entitled to a discount and your bill does not show that you have had one, you should apply to the local authority for a discount, as soon as possible. If the bill shows that the local authority has applied a discount and you do not think that you should have one, you must tell the local authority within 21 days. If you do not do this, the local authority may later impose a penalty.

How to pay council tax

Council tax bills should be sent out in April. You have the right to pay by 10 instalments. Local authorities may accept weekly or fortnightly payments. Some may also offer a reduction in the total bill if it is paid all at once, at the beginning of the year.

Particular circumstances

There are particular points to remember in the following circumstances:-

- if you live permanently in a hotel – you will not be liable for council tax on the property although the hotel charges would probably include an amount towards any council tax payable
- if you have more than one home – you will probably pay a reduced council tax on your second home (if no-one lives there) and a full council tax on your main home
- if you own caravans or mobile homes – if you live permanently in a caravan or mobile home you will pay the council tax. People who have a fixed caravan as a holiday home will pay business rate. Towing caravans kept at your home will not be subject to either council tax or business rate
- if you are a full-time student in advanced education – you will have to pay council tax if you are the liable person for a property. However, if all the people living in the property are students no council tax will be payable and if some of the residents are students the council tax may be reduced.

If you are in any of these groups and need further information you should consult an experienced adviser, for example, at a Citizens Advice Bureau.

Useful Websites

www.voa.gov.uk

www.citizensadvice.org.uk