

## Appendix E

### Changes to Council Tax Discounts and Exemptions from 1 April 2013

The Government is proposing changes to Council Tax discounts and exemptions.

There are currently 23 classes of Council Tax exemption and the proposed changes will only affect three of these; Class A (unoccupied properties undergoing repair or major structural alteration), Class C (unoccupied and unfurnished) and class L (re-possession by the mortgagee).

The proposals also affect discounts currently granted to properties not used as a main home, allowing the Council greater discretion in the award of discounts and exemptions for these. The Council has reviewed the proposals, taking into account:

- The Council's Housing strategy
- Shortage of housing in Central Bedfordshire
- The need to get empty properties back into use quickly
- The Council's financial position

The table below sets out the Council's proposals for changing discounts and exemptions.

Proposed Measures	Current Regulations	Government Proposal	Council Proposal	Additional CTAX raised
1) Removing the Council Tax discount for properties not occupied as a main home	10% discount	Allow Councils to reduce the discount to nil	To reduce the discount to nil	Circa £50k
2) Removing the Council Tax six month exemption for unoccupied and unfurnished properties	6 months exemption Class C exemption	Abolish the exemption and allow Councils to give a discount between 0% and 100%. The period of the discount must be 6 months	To reduce the discount to 0% for the 6 month period	Circa £1.7m
3) Removing the Council Tax exemption on empty properties undergoing repair or major structural alteration	12 months exemption Class A exemption	Abolish the exemption and allow Councils to grant a discount between 0% and 100% for 12 months	To reduce the discount to 0%	Circa £120k
4) Removing the Council Tax	These properties	Allow Councils to reduce or withdraw	To withdraw the exemption on these	Circa £50k

exemption on properties having been repossessed by the mortgagee	are exempt Class L exemption	the period of exemption	properties or reduce the discount to nil if the regulations allow for this and make the mortgagee liable for the charge	
Removing the discount on long term empty properties and charging an "empty homes premium" of 50% on properties left empty for longer than two years <sup>6</sup>	10% discount	Allow Councils to levy an "empty homes premium" on properties left empty for longer than two years	To charge a premium of 50%, making the total liability 150% after two years	Circa £240k