

## Criteria Notes for Mandatory Rate Relief for Charities and Non-Profit Making Organisations

Under Section 43 of the LGFA 1988, where the occupiers of a non domestic property are a charity or trustees for a charity (whether registered with the Charity Commission or exempt from registration), they are entitled to **80% mandatory relief**.

However, in order to qualify for such a relief, the following criteria must be met:

1. The property must be wholly or mainly used for charitable purposes only. This can include a **charity shop** where the property is used wholly or mainly for charitable purposes at any time, if at the time it is wholly or mainly used for the sale of donated goods and the proceeds of the sale of those goods (after any deduction of expenses) are applied for the purposes of a charity.
2. The ratepayer is a club (either registered or exempt from registration) for the purposes of Schedule 18 of the Finance Act 2002 (community sports club) and the building is used for the purpose of that club or that and another registered club.

Sports clubs registered with the Inland Revenue as a Community Amateur Sports Club (CASC) are also entitled to relief from rates on any non domestic property that is wholly or mainly used for the purposes of that club, or that club and other such registered clubs. More information about CASC's, can be found on the Inland Revenue's webpage at [www.cascinfo.co.uk](http://www.cascinfo.co.uk)

The date of registration with the Charity Commission will be taken as the effective date for mandatory rate relief as this will be taken as the conclusive evidence as to charitable status.

Some bodies described in section 3(5) of the Charities Act 1993, are excepted from registration or, as comprised in Schedule 2 of the Charities Act 1993, are exempt charities, **may** also be eligible for mandatory relief. However, any charity in respect of any registered place of worship (under the Places of Worship Registration Act 1855) is exempt from rates under paragraph 11 of Schedule 5 to the LGFA.

For more information on exempt charities, please refer to the Charity Commissions leaflet – Exempt Charities (CC23) which can be viewed and printed from their website at [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)