Non-Domestic Rating (Preparation for Digital Services) Bill 2017-19,

Second Reading, House of Commons
13 May 2019

Briefing

KEY MESSAGES

- The Non-Domestic Rating (Preparation for Digital Services) Bill 2017-19 seeks to provide HMRC with the power to incur expenditure on the design of a new digital service which will link councils' business rates systems with HMRC's digital tax accounts.[1]

- Whilst we support the Bill, we would like clarification from the Government that billing authorities will continue to have sole responsibility for the collection of business rates.

- Under the legislation businesses will be able to manage their rate payments digitally alongside their other taxes. This Bill is required in order to give HMRC the lead role in designing the new service.

Background to the Bill

In 2016 the Government committed to link local authority business rates systems to HMRC's digital tax accounts so that businesses can manage their rates in one place alongside other taxes. The Government intends to implement the measure after the start of the three-year revaluation cycle of non-domestic rates from 2024.

HMRC will have a leading role in designing and building the digital billing and collection service for business rates. HMRC's current functions do not extend to the creation or maintenance of a digital service linking local authority business rates systems with HMRC's digital tax accounts. It therefore requires a new statutory function. In the future, further legislation will be needed to underpin the digital service.

Further information

For an overview of the LGA's position on the future of the business rates system, please refer to our written evidence to the Treasury Committee inquiry: 'The impact of Business Rates on business'.[2]

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[1] https://publications.parliament.uk/pa/bills/cbill/2017-2019/0382/cbill_2017-20190382_en_1.htm
[2] http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/treasury-committee/impact-of-business-rates-on-business/written/98837.html

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