



# What are Business Rates and how are they calculated?



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## What are Business Rates and who has to pay them?

Business Rates or Non-Domestic Rates are a local tax that is paid by the occupiers of all non-domestic / business property (in the same way that council tax is a tax on domestic property). It is collected by local authorities and is how non-domestic ratepayers contribute towards the cost of local services.

Business rates are charged on non-domestic properties, like:

- Shops
- Offices
- Pubs and Restaurants
- Warehouses
- Factories

You will probably have to pay business rates if you use a property (or part of a building) for non-domestic purposes.

Under the Business Rates Retention arrangements (introduced 1st of April 2013), authorities keep a proportion of the business rates paid locally. This provides a direct financial incentive for authorities to work with local businesses to create a favourable local environment for growth. The scheme allows local authorities to keep 50% of business rates.

The money, together with certain other sums, is used to pay for the services provided by Hertsmere and other local authorities in your area.

## How are my Business Rates Calculated?

Business rates are calculated by multiplying the ratable value of the property (set by the Valuation Office Agency) by the business rates multiplier. The business rates multiplier is set annually by central government. There are two business rates multipliers:



### You may be entitled to a discount or reduction in your Business Rates

If your business has been impacted by coronavirus see [Support for Businesses during Coronavirus Pandemic](#)

For general advice please see [Business rates - reductions and reliefs](#)



### For more information:

Get information [about business rates and how they are calculated](#)

- The standard non-domestic rating multiplier
- The small business non-domestic rating multiplier.

The former is higher to pay for small business rate relief, except in the City of London where special arrangements apply. The Government sets the multipliers for each financial year for the whole of England according to formulae set by legislation. The current multipliers are shown on the front of your bill.

**What is my rateable value?**



**Can I appeal my rateable value?**



**Will my rateable value change, and if so how often?**



**What is a Transitional Arrangement?**



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