

Press release: Sajid Javid acts to help businesses affected by unfair 'staircase tax'

Communities Secretary Sajid Javid has today (29 December 2017) published [draft legislation](#) to reverse the impact of a 'staircase tax' which has unfairly affected up to a thousand businesses.

A recent Supreme Court judgment saw hundreds of businesses that operate in adjoining units or rooms, but are accessed from a common corridor or staircase, receiving separate rate bills for each unit.

The ruling also resulted in some businesses facing higher rate bills, with some paying more due to the loss of small business rate relief.

The action Sajid Javid is taking today will mean these firms can choose to have their rates recalculated under the old single bill system and any savings due will be backdated.

Communities Secretary Sajid Javid said:

The 'staircase tax' is an unfair rates hike for businesses. For years these businesses in adjoining units or rooms received one rates bill, but this ruling meant they now faced multiple bills for operating in an office linked by a communal lift or stairs.

I am ending this by giving those businesses affected the option of getting their rates bills recalculated and any savings due backdated.

The publication of draft legislation follows a decision in the Supreme Court (*Woolway v Mazars*) which brought about a change the practice of the Valuation Office Agency (VOA) in assessing rateable values for businesses.

Following this ruling, businesses who occupied more than one property in a shared building received a separate rates bill for each unit. This was widely known as the 'staircase tax' and meant businesses in adjoining units who had previously received one rates bill, were now being subject to several bills. Some businesses were paying more overall due to the loss of small business rate relief – a discount applied to the bills of certain businesses with a lower rateable value.

This ruling overturned an established and widely understood practice where businesses occupying two adjoining floors or two rooms separated by a wall only received a single bill.

Subject to Parliamentary approval of the Bill, those businesses who have been

directly impacted by the Supreme Court judgement can ask the VOA to recalculate valuations based on previous practice. It can then have its bill recalculated if it chooses, and backdated. This includes those firms who lost small business rate relief.

The department will now consult with stakeholders and experts, with a view to introducing the Bill shortly. See the [consultation document](#).