

SAL Factsheet: Council Tax Exemptions and Deductions

Council tax rules on discounts and exemptions can vary between local authorities and were amended in 2013 to allow local authorities to increase council tax charges for some categories of unoccupied property. This guide covers the most common scenarios and questions that landlords will have.

Unoccupied property discounts

Historically local authorities have offered landlords of unoccupied properties long term council tax discounts of 10-50% for furnished properties and 100% for unfurnished properties (reducing to 50% after 6 months).

Since 1 April 2013 local authorities have had new discretionary powers to remove the unoccupied property discount or set a council tax increase of 100% on certain properties which have been empty for one year or more.

Furnished properties vacant for less than 12 months

Local authorities can offer a discount of between 10% and 50% for furnished homes that are unoccupied for less than a year.

Unfurnished properties vacant for less than 12 months

Unfurnished homes are exempt from council tax for 6 months. After this a 50% discount must be provided by the local authority for a further 6 months.

For council tax purposes there is no legal definition of 'unfurnished' and local authorities vary in their interpretation of what unfurnished means. Some regard it as meaning a dwelling which has insufficient furnishings to enable somebody to live there; others require a **property to be devoid of all moveable items**. **Most authorities** disregard white goods, carpets, curtains and blinds.

If you have a property that you consider to be unfurnished, it is advisable to check with your local authority that your property meets their definition of 'unfurnished'. Many local authorities are now carrying out inspections to check that unoccupied properties comply with their criteria.

Properties vacant for more than 12 months

Local authorities may, at their discretion, apply a premium of up to 100% of council tax liability on dwellings unoccupied for more than one year (regardless of whether they are furnished or unfurnished). The property must be occupied for over three months to 'reset the clock' with regard to liability for the premium.

Local authorities can't impose a council tax increase for two years after a home has become unoccupied where it is being actively marketed for sale or for let - these owners still pay council tax, but get a discount of between 10% and 50%.

Properties exempt from council tax

There are a number of council tax exemptions in place for unoccupied dwellings, including:

- Where the owner/tenant is in long-term residential care
- Where the owner/tenant is in hospital long term
- Where the owner/tenant is in prison
- Where a property is being structurally repaired (for up to one year after it was last occupied, regardless of changes in ownership)
- Vacant properties which subsequently undergo extensive repair or structural alteration to make them habitable after sale qualify for a mandatory discount of at least 50% for 6 months from the date of sale.
- Where the owner has died (in which case the exemption is for up to six months after the owner's estate has settled)
- New homes which have been entered onto the valuation list in the last 6 months
- Dwellings which have been unoccupied and unfurnished for less than 6 months
- Properties occupied only by students
- Visiting forces
- Dwellings occupied by severely mentally impaired persons

For the above situations there would be no council tax charge, regardless of how long the property has been unoccupied.

If you have any queries about council tax discounts or exemptions, you should contact your local authority or call the SAL helpline on 0131 564 0100 or by email

advice@scottishlandlords.com

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