

## A Short Guide to Non-Domestic Rates and Reliefs 2026-27

Below is a summary of the non-domestic property rates and main reliefs for the financial year 2026-27 which runs from 1 April 2026 to 31 March 2027. Rates and reliefs for subsequent financial years are announced annually in the Scottish Budget, usually published in December. Rates and reliefs are generally set out in legislation and are subject to Scottish Parliament scrutiny. Non-domestic rates are sometimes called 'business rates'. but they are charged on the private, public and charities.

### Non-Domestic Rates 2026-27

You can find your property's rateable value at: [Scottish Assessors Association website](#)

Your non-domestic rates (NDR) bill before any relief that you may be entitled to is applied, is the rateable value of the property multiplied by the non-domestic rate or 'poundage'. For instance, if the property's rateable value is £50,000, the bill is  $£50,000 \times 0.481 = £24,050$ .

|                                                                                            |       |
|--------------------------------------------------------------------------------------------|-------|
| Basic Property Rate (properties with a rateable value up to and including £51,000)         | 48.1p |
| Intermediate Property Rate (properties with a rateable value between £51,001 and £100,000) | 53.5p |
| Higher Property Rate (properties with a rateable value above £100,000)                     | 54.8p |

### Reliefs

If you pay NDR, your property may be eligible for relief.

Most reliefs are application-based. If you think you may be eligible for a relief on your property you should check your council's website for further information including how to apply.

#### General Revaluation Transitional Relief

General Revaluation Transitional Relief (RTR) caps gross bills (this means before any other reliefs are applied) by a specified percentage increase year-on-year where the increase is the result of changes in rateable value at the 2026 revaluation.

See Annex A for an example of how this applies.

#### **General Revaluation Transitional Relief caps for 2026-27**

| <b>Rateable Value (per property, as at 1 April 2026)</b> | <b>2026-27</b> |
|----------------------------------------------------------|----------------|
| Up to £20,000                                            | 15%            |
| £20,001 to £100,000                                      | 30%            |
| Over £100,000                                            | 50%            |

Additional conditions apply if the property is split or re-organised with effect from 1 April 2023. No application is required for this relief, but it is required for Self-Catering Revaluation Transitional Relief.

## Self-Catering Revaluation Transitional Relief

This relief caps increases in gross bills where they increase due to the 2026 revaluation for self-catering holiday accommodation at 15% year-on-year for 2026-27 whatever the rateable value of the property. Eligible properties must have obtained the requisite short-term let licence. An application is required for this relief.

Properties that don't qualify for this relief but whose gross bills would otherwise rise by more than the relevant cap set out in General Revaluation Transitional Relief, may automatically receive General Revaluation Transitional Relief.

## Small Business Bonus Scheme

Up to 100% relief is available through the Small Business Bonus Scheme (SBBS) where:

- the combined rateable value of all your properties in Scotland is £35,000 or less;
- the rateable value of the individual property that relief is sought on is £20,000 or less; and
- the property is actively occupied.

If you are the ratepayer for only one property, the relief available is:

| <b>Rateable Value</b>       | <b>SBBS Relief</b>      |
|-----------------------------|-------------------------|
| Up to and including £12,000 | 100%                    |
| from £12,001 to £15,000     | tapers from 100% to 25% |
| from £15,001 to £20,000     | tapers from 25% to 0%   |

If you are the ratepayer for more than one property, the relief available is:

| <b>Cumulative Rateable Value</b> | <b>SBBS Relief</b>                                                                           |
|----------------------------------|----------------------------------------------------------------------------------------------|
| Up to £12,000                    | 100%                                                                                         |
| from £12,001 to £15,000          | 25% on each individual property with a rateable value of £15,000 or less                     |
| from £15,001 to £35,000          | Tapers from 25% to 0% for individual properties with rateable values from £15,001 to £20,000 |

SBBS relief is not available to: advertisements; car parks; betting shops; payday lending businesses; properties requiring a short-term let licence but which do not have one; and shootings and deer forests with some specified exemptions.

## Mainland Retail, Leisure and Hospitality Relief (excluding islands and remote rural areas)

- 15% relief in 2026-27 for properties used for specified retail, leisure and hospitality purposes with rateable values of up to and including £100,000.
- 40% relief in 2026-27 for properties used for specified licensed hospitality and music venue purposes with rateable values of up to and including £100,000.

This relief is capped at £110,000 per business.

#### Islands and prescribed remote rural areas Retail, Leisure and Hospitality Relief

100% relief in 2026-27 for properties used for specified retail, leisure and hospitality purposes located on islands as defined by the Islands (Scotland) Act 2018, as well as in the specified areas of Knoydart, Scoraig and Cape Wrath.

All Retail, Leisure and Hospitality Relief is capped at £110,000 per business in 2026-27.

#### Small Business Transitional Relief

Small Business Transitional Relief (SBTR) reduces the net bill (that is to say, the bill after any other relief is applied) increase where a property, on 31 March 2026, was eligible for:

- SBBS relief;
- mandatory or discretionary Rural Relief;
- Hospitality Relief; or
- Small Business Transitional Relief (2023 Revaluation).

The maximum increase in the net bill for each qualifying property, compared to the amount payable as at 31 March 2026, is capped at 25% for 2026-27.

Properties that require a short-term let licence to operate but do not have one are not eligible for this relief.

#### Fresh Start Relief – for newly re-occupied properties

Ratepayers occupying certain long-term empty properties may be entitled to 100% relief for up to 12 months where:

- the property had previously been empty for at least 6 months and was occupied on or after 1 April 2018;
- the property has a rateable value up to and including £100,000; and
- the property is actively occupied.

Fresh Start relief is not available to: advertisements; car parks; betting shops; payday lending businesses; properties requiring a short-term let licence but which do not have one; and shootings and deer forests with some exemptions.

#### Business Growth Accelerator Relief (BGA) – for new build properties, or property improvements or expansions

Ratepayers investing in new build property or property improvements may be entitled to 100% relief on the property for a specified period of time.

#### *New build properties*

Where a newly built property has been entered in the valuation roll within the last 12 months, 100% relief is available until 12 months after the property becomes occupied, or four years after the date on which the entry in the valuation roll took effect, whichever is sooner.

Where the new build was entered into the valuation roll more than 12 months previously, 100% relief is available until 12 months after the property becomes occupied or four years after the date that the entry in the valuation roll took effect.

### *Property Improvements*

Where a property is expanded or improved, the property may be eligible for BGA relief which would mean the non-domestics rates charged on the property would not increase (to reflect the improvement or expansion) for 12 months.

Where a property in receipt of new-build relief is further improved during the period for which BGA relief for a new build has been granted, the relief available is the amount of non-domestic rates payable that has resulted from the increase in rateable value.

Where an existing entry on the valuation roll comprises a building which has had a property improvement, 100% relief is available for 12 months on the *increase* in rateable value due to that improvement.

Where relief was awarded in 2025-26 and continues into 2026-27 it will be awarded at the same percentage of relief as applies at 31 March 2026, but on the basis of the rateable value which takes effect on 1 April 2026.

Certain conditions apply in relation to properties which are divided, split, merged or re-organised. See Annex B for examples.

### District Heating Relief

Premises being used wholly or mainly for a district heating network may be eligible for 50% relief until 31 March 2032.

Where district heating networks are powered by renewables, 90% relief is available where at least 80% of the thermal energy generated derives from renewable sources (see below for eligible renewables). This relief is available until 31 March 2027.

### Renewable Energy Generation Relief

Up to 100% relief is available for renewable energy generation schemes which give one or more community organisations at least 15% of their annual profit, or an amount equal to the annual profit equivalent to 0.5 megawatt of the total installed capacity of the project. The amount of relief depends on the rateable value of the property.

### **Renewable Energy Relief thresholds**

| <b>Rateable Value</b>              | <b>Relief (%)</b> |
|------------------------------------|-------------------|
| up to £145,000                     | 100               |
| over £145,000 and up to £430,000   | 50                |
| over £430,000 and up to £860,000   | 25                |
| over £860,000 and up to £4 million | 10                |
| over £4 million                    | 2.5               |

To be eligible the generation activity should take place at the eligible property, be the main use of the property, and the heat or power must be produced from renewable sources (see below).

Hydro schemes with a rateable value of no more than £5 million are eligible for 60% relief until 31 March 2032.

**Renewable** means producing heat or power from any of the following sources:

- biomass
- biofuels
- fuel cells
- photovoltaics
- water (including waves and tides, but excluding production from the pumped storage of water)
- wind
- solar power
- geothermal sources.

### Rural Relief

Certain properties in a designated rural area (with a population below 3,000) may be eligible for up to 100% relief. Those properties must be on the council's rural settlement list and be:

- a small food shop, general store or post office with a rateable value below £8,500
- a small hotel, public house or petrol filling station with a rateable value of up to £12,750
- any other business providing a benefit to the community with a rateable value of up to £17,000.

### Sports Club Relief

Properties occupied by a Community Amateur Sports Club (CASC) registered with HM Revenue and Customs, may be entitled to 80% relief. Local authorities have discretion to offer a further 20% relief.

Properties occupied by certain other sports clubs that are not CASCs or registered charities may be eligible to receive up to 100% relief at the discretion of the local authority, and in accordance with the sports club relief statutory guidance ([Local Government Finance Circular 3/2021](#))

### Charity Relief

Registered charities may be eligible for 80% rates relief if their property is mostly used for charitable purposes. Councils have discretion to offer a further 20% relief. Councils also have discretion to offer up to 100% relief on properties used by other not-for-profit organisations:

- who carry out work for charitable, philanthropic or religious purposes;
- who are concerned with education, social welfare, science, literature or the fine arts; or
- which are mainly used for recreation such as sports clubs.

### Other Reliefs

The following other reliefs also continue to be available:

- [Day Nursery Relief](#)
- [Disabled Persons Relief](#)

- [Hardship Relief](#)
- [Telecommunications Relief](#)
- [New Fibre Infrastructure Relief](#)
- Stud Farms Relief

**Empty Property Relief** was devolved to local authorities on 1 April 2023. Please check individual council websites for information on any local relief they may offer for unoccupied properties in 2026-27.

#### Further information

An overview of all the national non-domestic rates reliefs in Scotland can be found at: <https://www.mygov.scot/non-domestic-rates-relief>.

Further detail can also be found in [Local government finance circular 7/2026: non-domestic rates relief guidance](#).

The [Non-Domestic Rates calculator](#) gives an estimate of your non-domestic rates bill for the current tax year. The calculator also shows whether a property may be eligible for Small Business Bonus Scheme, and which council is responsible for the rates including determining eligibility for any reliefs.

Some reliefs might be affected by subsidy control rules.

Further information on non-domestic valuation can be found at: [Non Domestic Valuation – Scottish Assessors \(saa.gov.uk\)](#). All non-domestic properties get a new rateable value at revaluation. A new Valuation Roll was published on the [Scottish Assessors website](#) on 1 April 2026. The next revaluation is 2029.

For a timeline detailing general changes to the non-domestic rates system see: [Non-domestic \(business\) rates roadmap](#).

## Reliefs Example

Example of how reliefs may apply for a property with a rateable value going from £10,000 on 31 March 2026 to £20,000 due to revaluation on 1 April 2026.

It is for local authorities who are responsible for administering rates, to determine whether a property is eligible for relief based on the regulations.

### General Revaluation Transitional Relief (General RTR)

The property will see a 93% increase in its bill before any reliefs are applied as its 2025-26 bill was  $£10,000 \times 0.498 = £4,980$  and its 2026-27 bill is  $£20,000 \times 0.481 = £9,620$ .

Because this percentage increase is higher than the 15% RTR cap for properties with rateable values up to £20,000 due to revaluation on 1 April 2026, the General RTR cap applies and the bill before any reliefs are applied is  $£4,980 \times 1.15 = £5,727$ . If other reliefs like retail, hospitality and leisure relief are available, this will apply to the £5,727 amount.

### Small Business Bonus Scheme

The property will not get any SBBS relief in 2026-27 as its rateable value is too high, so its bill after General RTR is applied is £5,727 as set out above.

### Retail, Hospitality and Leisure Relief (RHL relief)

If the property is an eligible property in retail, hospitality or leisure it will have a bill of  $£5,727 \times (100\% - 15\%) = £4,867.95$ . This is because 15% RHL relief is applied after the General RTR.

### Small Business Transitional Relief (SBTR)

The property has a bill in 2025-26 of £0 due to 100% SBBS relief.

If the property is not eligible for retail, hospitality and leisure relief, the bill in 2026-27 after General RTR is applied is £5,727 as set out above. Because the property got SBBS relief in 2025-26, it will also be eligible for Small Business Transitional Relief (SBTR). The bill after General RTR and SBTR is:  $0 + ((5,727 - 0) \times 0.25) = £1,431.75$ .

If the property is eligible for retail, hospitality and leisure relief, it will be eligible for General RTR, RHL relief and SBTR and the bill after all of these are applied is:  $0 + ((4,867.95 - 0) \times 0.25) = £1,216.99$ .

## **Business Growth Accelerator (BGA) Relief Examples**

### **Scenario 1: Build a New Office**

You build a new office block on vacant land. When completed, it was added to the valuation roll on 1 October 2024 with a rateable value of £350,000. The office is not occupied after completion.

You may qualify for 100% BGA relief on your non-domestic rates for up to 4 years (i.e. until 30 September 2028) if the property remains unoccupied.

If the building is occupied at different stages, with different entries on the valuation roll, for instance if separate businesses occupy separate offices within the building, the relief will be available for each separate eligible entry on the roll.

### **Scenario 2: Occupy a New Office**

You occupy a newly built office which was added to the valuation roll on 30 January 2024 with a rateable value of £95,000. You are the first to occupy the office.

You may qualify for 100% BGA relief on your non-domestic rates for 12 months.

### **Scenario 3: Property Improvements to a Licensed Premises**

You install air-conditioning in your licensed premises. The rateable value of the property increases from £35,000 to £37,000 on 1 June 2025.

You may qualify for 100% BGA relief on the increase in the rateable value (£2,000) for 12 months from 1 June 2025. This means your non-domestic rates, for 12 months, is the same as for a property with a rateable value of £35,000.

If the rateable value for the property reduced during the improvement work, the comparable value is the rateable value of the property before the works commenced.

If the rateable value for the property increased on 1 April 2026 as a result of the 2026 revaluation, you will continue to receive relief at the same percentage of the new rateable value until 31 May 2026 ie 5.4% (2000/37000).

### **Scenario 4: Expansion of Warehouse – merge with another property**

You extend your warehouse using the space of an adjoining empty property. The rateable value of the warehouse increases from £150,000 to £215,000 on 2 August 2024.

You are not eligible for BGA relief because the extension was the result of merging with an existing property on the valuation roll. This means your non-domestic rates from 2 August 2024 is calculated on a rateable value of £215,000.

### **Scenario 5: Expansion of Warehouse – new build**

You build an extension to your warehouse on empty land next to the warehouse. The rateable value increases from £150,000 to £215,000 on 2 August 2026.

You may get 100% BGA relief on the increase in rateable value (£65,000) for 12 months from 2 August 2026. This means your non-domestic rates, for those 12 months, is the same as for a property with a rateable value of £150,000.

### **Scenario 6: Hotel Redevelopment**

You intend to redevelop an empty office block with a rateable value of £500,000 into a luxury hotel. The work is completed in phases. In the first phase, a new hotel entry is created on the valuation roll with a rateable value of £100,000 and the rateable value of the empty office block entry is decreased. This is done successively until the hotel is finished.

After the redevelopment, the new hotel entry has a rateable value of £800,000. The entry for what was the empty office block is deleted from the valuation roll.

You are not eligible for BGA relief as the building the hotel is located in previously existed in another entry on the valuation roll (the office block).

### **Scenario 7: Restaurant Extension**

You refurbish an empty restaurant and extend it to include a new building for overnight accommodation. The rateable value for the property as a restaurant was £50,000, and after the extension, the rateable value increased to £150,000

You may be eligible for 100% relief for 12 months on the increase in rateable value (£100,000).

### **Scenario 8: A newly built warehouse is later divided, resulting in separate entries on the valuation roll.**

You have a warehouse which was previously granted BGA relief and is then divided with separate entries added to the valuation roll.

Relief will continue to be available for the separate entries. The period of relief will depend on whether the building, or part building, in any of the separate entries have been occupied since the relief was first granted for the warehouse.

### **Scenario 9: An existing warehouse is divided, resulting in separate entries on the valuation roll.**

You have a large warehouse which is divided into a number of smaller warehouses which are entered on the valuation roll as separate entries.

Relief is not available as the building in which the smaller warehouse is located was previously shown as an entry on the valuation roll.