SCOTTISH STATUTORY INSTRUMENTS

2026 No. 135

RATING AND VALUATION

The Non-Domestic Rates (Miscellaneous Amendment) (Scotland) Regulations 2026

Made - - - - at 11.25 a.m. on 10th March 2026

Laid before the Scottish Parliament at 2.00 p.m. on 10th March 2026

Coming into force - - 31st March 2026

The Scottish Ministers make the following Regulations in exercise of the power conferred by section 153 of the Local Government etc. (Scotland) Act 1994(**a**) and all other powers enabling them to do so.

Citation and commencement

1. These Regulations may be cited as the Non-Domestic Rates (Miscellaneous Amendment) (Scotland) Regulations 2026 and come into force on 31 March 2026.

Amendment of the Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026

2.—(1) The Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026(**b**) are amended in accordance with paragraphs (2) to (5).

(2) After regulation 4 (relief for lands and heritages used for retail, hospitality or leisure purposes where the rateable value is no more than £100,000) insert—

"**Relief for lands and heritages used for certain hospitality or music purposes where the rateable value is no more than £100,000**

4A.—(1) A person liable to pay rates in respect of lands and heritages on a day in the 2026-2027 financial year is entitled to the relief described in paragraph (3) in respect of the lands and heritages where the conditions described in paragraph (2) are met.

(2) The conditions are—

(a) the lands and heritages are wholly or mainly used on that day for a purpose specified in the classes in schedule 1A,

(b) the lands and heritages have a rateable value of £100,000 or less,

(c) the person is not granted relief in respect of the lands and heritages under regulation 5, and

(**a**) 1994 c. 39. Section 153 was relevantly amended by section 67 of the Climate Change (Scotland) Act 2009 (asp 12) and section 15 of the Non-Domestic Rates (Scotland) Act 2020 (asp 4). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c. 46).

(**b**) S.S.I. 2026/69.

(d) an application for relief is made in accordance with regulation 3(1).

(3) Subject to paragraph (8) and regulation 6, the relief is that the rates payable in respect of the lands and heritages for the day are reduced by an amount equivalent to 40% of the daily gross rates payable.

(4) In this regulation "the daily gross rates payable" means, subject to paragraphs (5) to (7)—

(a) where the rateable value of the lands and heritages is £51,000 or less, the rateable value of the lands and heritages, multiplied by 0.481, and then divided by 365,

(b) where the rateable value of the lands and heritages is more than £51,000, the rateable value of the lands and heritages, multiplied by 0.535, and then divided by 365.

(5) Where, in respect of any day on which a person is granted relief under this regulation—

(a) the person is also granted relief under Part 3 (improved property) of the 2022 Regulations, and

(b) regulation 7 (amount payable as rates) of the 2026 Regulations does not apply to the lands and heritages,

"the daily gross rates payable" means the rateable value of the lands and heritages minus the reference amount (see paragraph (9)), multiplied by—

(a) 0.481, and then divided by 365, where the rateable value is £51,000 or less,

(b) 0.535, and then divided by 365, where the rateable value is more than £51,000 but less than £100,000.

(6) Where, in respect of any day on which a person is granted relief under this regulation—

(a) the person is also granted relief under Part 3 of the 2022 Regulations, and

(b) regulation 7 of the 2026 Regulations does apply to the lands and heritages,

"the daily gross rates payable" means the transitional limit calculated in accordance with regulation 10C(5) (relief granted – financial year 2026-2027 – lands and heritages in respect of which a relevant increase has been made within the previous 12 months) of the 2022 Regulations(**a**).

(7) Where, in respect of any day on which a person is granted relief under this regulation—

(a) the person is not granted relief under Part 3 of the 2022 Regulations, but

(b) regulation 7 of the 2026 Regulations does apply to the lands and heritages,

"the daily gross rates payable" means the transitional limit calculated in accordance with regulation 9 of the 2026 Regulations.

(8) Relief granted by this regulation does not apply to the extent that it would reduce the rates payable to an amount less than nil.

(9) In this regulation "the reference amount" means the total amount of any relevant increases under section 2A(5) (mark in valuation roll for new or improved properties) of the Local Government (Scotland) Act 1975(**b**) made in respect of the lands and heritages taking effect on a day within the previous 12 months.".

(3) In regulation 5(1)(b) (relief for lands and heritages used for retail, hospitality or leisure purposes on islands and in specified remote areas), after "in schedule 1" insert "or schedule 1A".

(4) For regulation 6 (limitation on reduction in liability), substitute—

(**a**) Regulation 10C is inserted by S.S.I. 2026/70.

(**b**) 1975 c. 30. Section 2A was inserted by section 3 of the Non-Domestic Rates (Scotland) Act 2020 (asp 4) and amended by S.S.I. 2022/126.

"**Limitation on reduction in liability**

6. The maximum amount by which the liability of any person to pay rates may be reduced under regulation 4, 4A or 5, or any combination of those regulations, is £110,000.".

(5) For schedule 1 (specified purposes) substitute—

"SCHEDULE 1 Regulations 4(2)(a) and 5(1)(b)

Specified Purposes – General

Class 1 Bed and breakfast accommodation or guest house

Use as bed and breakfast accommodation or as a guest house.

Class 2 Camping site

Use as a camping site.

Class 3 Caravan

Use as a caravan (within the meaning of Part 1 of the Caravan Sites and Control of Development Act 1960(**a**)).

Class 4 Caravan site

Use as a caravan site (within the meaning of Part 1 of the Caravan Sites and Control of Development Act 1960(**b**)).

Class 5 Chalet, holiday hut or bothy

Use as a chalet, holiday hut or bothy.

Class 6 Self-catering holiday accommodation

Use as self-catering holiday accommodation.

Class 7 Timeshare accommodation

Use as timeshare accommodation.

Class 8 Market

Use as a market place on which goods are exhibited for sale to members of the public.

Class 9 Retail shop

Use as a shop, being a building or part of a building that is used for the retail sale of goods to members of the public who visit the building to buy goods for consumption or use elsewhere, whether or not by the buyer, for purposes unconnected with a trade or business.

(**a**) 1960 c. 62. The term 'caravan' is defined in section 29(1) of that Act.
(**b**) The term 'caravan site' is defined in section 1(4) of that Act.

Class 10 Leisure

Use as an art gallery or centre, sports club, sports centre, sports ground, clubhouse, gymnasium, museum, cinema, theatre, ticket office, recreational centre, recreational ground, park, bingo hall, tourist attraction or tourist facility.

Use as an amusement arcade, but excluding any lands and heritages on which any licence allows the operation of a sub-category B2 gaming machine, within the meaning of regulation 5(5) of the Categories of Gaming Machine Regulations 2007(**a**).

Use as a theme park, soft play centre, or as a venue for recreational activities such as ten pin bowling, laser tag, paintballing, escape rooms or miniature golf.

Use as a venue for lectures or lessons undertaken for recreational purposes, such as language lessons, music and dance lessons, or pottery and arts lessons.

Class 11 Service providers

Use to provide hair and beauty services, shoe repairs, key cutting, photo processing, laundry services, car or tool hire, car washing or repair of domestic/electrical goods.

Class 12 Massage parlour or health spa

Use as a massage parlour or a health spa.

Class 13 Funeral parlour

Use as a funeral parlour.

Class 14 Travel agency

Use as a travel agency or by a tour operator.

Class 15 Meeting, event or activity space

Use as a public hall or venue for hire for events or activities, where the events or activities are principally for the benefit of visiting members of the public.

Use as a venue for meetings of voluntary associations.

Class 16 Use as a facility for youth organisations

Use as a venue for meetings and activities of youth organisations, such as a scout hut.

SCHEDULE 1A Regulation 4A(2)(a) and 5(1)(b)

Specified Purposes – Hospitality and Music

Class 1 Hotel or hostel

Use as a hotel or hostel, where no significant element of care is provided.

(**a**) S.I. 2007/2158. Regulation 5(5) was amended by S.I. 2018/1402.

Class 2 Live music venue

Use as a venue to host live music events where both of the following conditions is satisfied—

(a) the premises are used as an indoor, permanent venue operating all-year round, and

(b) the venue is used to host live music events for a public audience.

Class 3 Public house or night club

Use as a public house or nightclub where each of the following conditions are satisfied—

(a) a premises licence authorising the sale of alcohol for consumption both on and off the premises has been issued by a licensing board under section 26 (issue of licence and summary) of the Licensing (Scotland) Act 2005(**a**),

(b) the premises are used for such sales to members of the public, principally for consumption on the premises, in accordance with the operating plan contained in the premises licence, and

(c) the operating plan contained in the premises licence does not include any provision that such sales are made subject to those members of the public residing at, or consuming food on, the premises.

Class 4 Restaurant

Use for the sale of food or refreshments to members of the public for consumption on those premises, including any café, coffee shop, bistro, fast food restaurant or snack bar that is so used.".

Amendment of the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026

3.—(1) The Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026(**b**) are amended in accordance with paragraph (2).

(2) In regulation 13(2) (amendment of the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023), for sub-paragraph (b) substitute—

"(b) after sub-paragraph (l) insert—

"(m)regulations 4, 4A and 5 of the Non-Domestic Rates (Retail, Hospitality and Leisure) (Scotland) Regulations 2026(**c**), and

(n) regulations 3, 4 and 8 of the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026(**d**)."".

Amendment of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026

4.—(1) The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026(**e**) are amended in accordance with paragraphs (2) to (5).

(2) In regulation 9(2) (transitional limit) for the description of "X" substitute—

"X is—

(a) 1.150 where—

(**a**) 2005 asp 16. There are amendments to section 26 that are not relevant to these Regulations.
(**b**) S.S.I. 2026/68.
(**c**) S.S.I. 2026/69.
(**d**) S.S.I. 2026/68.
(**e**) S.S.I. 2026/70.

(i) the lands and heritages are used on the day wholly or mainly as self-catering holiday accommodation, regardless of their rateable value,

(ii) a short-term let licence has been obtained in accordance with article 4 of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022(**a**), and

(iii) an application for relief has been submitted in accordance with regulation 15,

(b) where the conditions in (a) are not met—

(i) 1.500 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of more than £100,000,

(ii) 1.300 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of more than £20,000, up to and including £100,0000,

(iii) 1.150 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of £20,000 or less.".

(3) In regulation 14(1)(a)(i) (cap for eligible properties), after "regulation 3 (amount payable as rates – lands and heritages with a rateable value of £20,000 or less)" insert "or regulation 4 (lands and heritages with rateable value of £35,000 or less (multiple entries))".

(4) In regulation 15(1) (applications for relief), after "regulation 4" insert "(or where accommodation is self-catering holiday accommodation, regulation 9)".

(5) In regulation 16(3) (amendment of the New and Improved Property Relief Regulations), in regulation 10C(5)(a) that is to be inserted into the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022, for the description of "X" substitute—

"X is—

(i) 1.150 where—

(aa) the lands and heritages are used on the day wholly or mainly as self-catering holiday accommodation, regardless of their rateable value,

(bb) a short-term let licence has been obtained in accordance with article 4 of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022, and

(cc) an application for relief has been made in accordance with regulation 15 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026,

(ii) where the conditions in (i) are not met—

(aa) 1.500 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of more than £100,000,

(bb) 1.300 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of more than £20,000, up to and including £100,000,

(cc) 1.150 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of £20,000 or less.".

IVAN MCKEE
Authorised to sign by the Scottish Ministers

St Andrew's House,
Edinburgh
At 11.25 a.m. on 10th March 2026

(**a**) S.S.I. 2022/32. Article 4 was amended by S.S.I. 2024/227.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to the Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026 ("the Retail, Hospitality and Leisure Relief Regulations"), the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 ("the Levying and Miscellaneous Amendment Regulations") and the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026 ("the Transitional Relief Regulations"). The effect is two-fold. First, the non-domestic rates payable in respect of certain lands and heritages used for the purposes of providing particular types of hospitality, or as a live music venue, are reduced by 40% of the daily gross rates payable in respect of a day in the financial year 2026-2027, rather than the 15% relief to which they were generally entitled under the Retail, Hospitality and Leisure Relief Regulations as laid. Only properties with a rateable value of £100,000 or less are eligible for this relief. The reductions operate subject to the condition that, in respect of any given day, the total reduction in the rates liability of any ratepayer under the Retail, Hospitality and Leisure Relief Regulations may not exceed £110,000. Secondly, these Regulations put in place a specific transitional limit for lands and heritages which on a given day in the financial year 2026-2027 are used wholly or mainly as self-catering holiday accommodation.

Regulation 2 makes amendments to the Retail, Hospitality and Leisure Relief Regulations.

Regulation 2(2) inserts a new regulation 4A, whilst regulation 2(4) substitutes a new schedule 1, as well as inserting an additional schedule, schedule 1A. The effect is that, in respect of any day in the financial year 2026-2027, ratepayers with lands and heritages falling within the classes in schedule 1 receive a reduction in the amount of rates payable equivalent to 15% of the daily gross rates payable in respect of the lands and heritages for the day. Ratepayers with lands and heritages falling within the classes set out in schedule 1A receive a reduction equivalent to 40% of the daily gross rates payable in respect of the lands and heritages for the day, provided that certain other conditions are met. In addition to the condition referred to above, that rateable value may not exceed £100,000, there must be no relief granted in respect of the lands and heritages under regulation 5, and an application for the relief must be made. Regulation 4A(4) to (7) sets out how the figure to be taken to represent the gross rates payable in respect of a day is to be arrived at, this depending on whether or not relief under either or both of the Retail, Hospitality and Leisure Relief Regulations or the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2026 applies. Regulation 4A(8) provides that relief granted under regulation 4A does not apply to the extent that it would reduce the amount of rates payable to less than nil.

Regulation 2(3) amends regulation 5(1)(b) of the Retail, Hospitality and Leisure Relief Regulations so that persons liable to pay rates in respect of any of the categories of lands and heritages listed in schedule 1 or 1A are eligible for 100% relief where the lands and heritages are situated on an island or in a remote area falling within the boundaries described in schedule 2 of the Retail, Hospitality and Leisure Relief Regulations.

Regulation 2(4) amends regulation 6 to provide that relief given under regulation 4, 4A or 5 of the Retail, Hospitality and Leisure Relief Regulations or, where applicable, any combination of those regulations, may not give rise to a total reduction in the rates liability of any particular ratepayer in respect of a day by any more than £110,000.

Regulation 3 makes an amendment to the Levying and Miscellaneous Amendment Regulations, in so far as they amend the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023. The result is that an award of relief under regulation 4A of the Retail, Hospitality and Leisure Relief Regulations must be compatible with the Subsidy Control Act 2022, as well as an award under regulation 4 or 5 of those Regulations.

Regulation 4 makes amendments to the Transitional Relief Regulations. Regulation 4(2) substitutes a new description of "X" in regulation 9(2) of the Transitional Relief Regulations, which is used to calculate the transitional limit in place to mitigate the effect of rateable value increase as a result of revaluation. The effect is to create a specific transitional limit applicable to

lands and heritages used wholly or mainly as self-catering holiday accommodation, where an application for the relief is made and a short-term let licence has been obtained. Regulation 4(3) amends regulation 15 of the Transitional Relief Regulations in consequence of the requirement that an application must be made where specific revaluation transitional relief is sought in respect of self-catering holiday accommodation. It is no longer only relief under the cap in regulation 14 that requires an application. Regulation 4(4) amends regulation 14 of the Transitional Relief Regulations so that the cap on increases in rates for lands and heritages in respect of which a ratepayer had specified reliefs on 31 March 2026 applies to those for which a ratepayer had relief under regulation 4 of the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2025 (known as the small business bonus scheme relief) because they are split across multiple entries in the valuation roll, as well as those that are the subject only of a single entry, so attracted small business bonus scheme relief under regulation 3. Regulation 4(5) amends regulation 16(3) to substitute a new description of "X" in regulation 10C as it is to be inserted into the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022. The change takes account of the transitional limit applicable only to lands and heritages used wholly or mainly as self-catering holiday accommodation where an application for the relief is made and a short-term let licence has been obtained.

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Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Saul Nassé, the King's Printer for Scotland.

£8.90

http://www.legislation.gov.uk/id/ssi/2026/135

ISBN 978-0-11-106623-2

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