Business rates are a headache for many small businesses, especially since the controversial 2017 revaluation.

If you have business property, or, in some cases, if you work from home, you need to understand business rates and how much you might pay.

• Business rates definition
• How much are business rates?
• What if I think my rates are wrong?
• What is the small business rates relief?
• What if I work from home?
• Business rates calculator
• Further reading
1. Business rates definition

Business rates are a tax on property used for business purposes. They are charged on properties such as offices, shops, pubs, and warehouses – most non-domestic properties will attract business rates. They may also be charged where only part of a building is used for non-domestic purposes.

2. How much are business rates?

Business rates are calculated based on a property’s ‘rateable value’. The rateable value is a property’s estimated value on the open market. The last revaluation, conducted by the Valuation Office Agency (VOA) and which came into effect on 1 April 2017, refers to values as of 1 April 2015.

It is possible to estimate your business rates by multiplying your property’s rateable value by the relevant number. You can read more in this guide.

3. What if I think my rates are wrong?

It’s not uncommon for business rates payers to believe that their rateable value is incorrect. If this is the case, then the business rates you are required to pay will be calculated wrongly.

First, you should check the VOA’s rateable value for your property. You may also wish to compare it with other similar properties in your area. If you still suspect that the rateable value is incorrect, you can then apply to have it changed.

You can check and apply to revise your rateable value using this government tool.
4. What is the small business rates relief?

There are a range of reliefs available for some properties. The most useful of these to small firms is the small business rate relief. This is available if your property has a rateable value of less than £15,000, and generally if your business only uses one property.

Full relief is available on properties with a rateable value of £12,000 or less. For those between £12,001 and £15,000, relief ratchets down gradually from 100 per cent to zero per cent.

If your property no longer qualifies for relief as a result of the 2017 revaluation, there are caps on the amount you will pay. Your bill will not increase by more than £50 a month until 31 March 2018.

There are other business rates reliefs available, including the rural rate relief and charitable rate relief. You can read more about these on gov.uk.
5. What if I work from home?

If you use a small part of your home for business purposes, you will not generally have to pay business rates. However, there are circumstances in which you will have to pay business rates, in addition to Council Tax. For example:

- your property is split into domestic and business parts, for example in the case of a flat above a shop
- you sell things to people who visit the property
- you employ anyone at your property

If you’re in doubt as to whether or not you should be paying business rates, you should contact the Valuation Office Agency.

6. Business rates calculator

It’s possible to estimate your business rates bill. In order to do this, you need to find out your property’s rateable value, which you can do [here](#).

You’ll then need to find the correct multiplier, which will depend on the rateable value. Then, deduct any reliefs to which you are entitled.

You can use the government’s business rates calculator [here](#).
Further reading

A guide to going self-employed in the UK
If you’re thinking of going self-employed, we’ve got some tips for getting started.

The small business guide to Self Assessment tax returns
We’ve broken down what you need to know for a stress-free Self Assessment.

What type of business insurance do I need?
Read about the reasons why business owners may need business insurance.