

Unoccupied properties, which have become vacant due to the death of the owner or tenant, are exempt from Council Tax until probate is granted. This exemption even continues for a further six months after probate has been granted. After that, properties become liable for the full rate in line with current Council policy.

Welsh Government recognise that it may be some time to determine the future use or disposal of a property once probate has been granted and these type of properties can be deemed to be a second home for many people who may have inherited a property. As a result, WG proposes to exempt these properties from the premium for 12 months after the grant of probate.

Should Class F properties considered to be second homes be given an exemption from the premium until 12 months after probate or letters of administration have been granted?

Recommended Response

Yes

Annexes attached to another property are treated as separate properties for Council Tax and annexes are exempt altogether when they are occupied for a dependant relative of pensionable age or who is disabled. An unoccupied annex is also exempt when it forms part of another property and may not be let separately from the other dwelling without a breach of planning control.

If an annexe is not covered by either of these exemptions, is furnished and is not a sole or main residence of someone, it could be liable for the council tax premium as a second home.

As a result, it is proposed that furnished properties which form annexes in a property which is also being used as part of the main residence or dwelling in that property should be exempt from the premium on second homes. For example, this could cover annexes which are used for the periodic accommodation of family members or adult children.

It is not intended this exemption would apply to annexes which are let out as short-stay accommodation including holiday lets. Hence, this type of accommodation could be subject to a council tax premium.

Should furnished Annexes which are treated as part of the main dwelling be exempt from the Council Tax premium on second homes? Do you think annexes which are let out as short-stay accommodation should not be exempt from the premium?

Recommended Response

Furnished but unoccupied annexes which are effectively part of the main dwelling should be exempt from the premium. However, annexes which are let out as short term accommodation on a commercial basis, such as holiday lets, should not be exempt and instead be subject to the council tax premium provisions in the same way as all other holiday homes.

WG propose that where an owner of a second home (i.e. a furnished property that is not the 'sole and main residence' of any individual) is taking genuine steps to bring their property back into use as a sole and main residence by marketing it for sale or renting out, the property should be exempt from the Council Tax premium for a period of 2 years. This means the premium would only apply if at the end of the two year period a property which is still for sale but furnished could attract a Council Tax premium.

Should owners of properties actively being marketed for sale or let be exempt from the Council Tax premium on second homes? If so, what evidence should owners be required to show to prove their property is actively being marketed for sale or let?

Do you think an exemption from the premium for two years for properties being marketed for sale or let is a reasonable period to enable the owners to bring them back into use?

Would it be more appropriate to provide guidance to Local Authorities on the application of this

exemption rather than setting out its application in legislation?

Recommended Response

Yes, the Council would support the introduction of an additional safeguard of a two year exemption period to support owners of second homes who are genuinely looking to dispose of a property.

The Council would recommend that owners must be expected to demonstrate they are actively and continuously marketing the property for sale or let at a reasonable local market rate, when compared to comparable property being advertised in the locality.

Evidence would need to be submitted to the Council showing the property is being continuously marketed throughout the duration of the exemption period and such evidence should also prove the property is actively marketed by an accredited property/sale or letting website.

Where a taxpayer's main home comes within the definition of a 'job-related dwelling', local authorities must provide a 50% discount for their second home. A job related dwelling is prescribed as job related if it is provided by reason of a person's employment and it is essential for the proper performance of the duties of the employment. Examples of these type of dwellings include homes provided for live-in teachers or publicans.

Without an exemption, the second home could be liable for the council tax premium. WG proposes that an exemption to the premium should apply to second homes where a person's main home is a 'job related dwelling'.

It is also proposed that the exemption is not intended to apply where a liable person has a second home which is their job-related dwelling. To be eligible for the proposed exemption, the liable person is required to live in the job-related property and only occupy the second home occasionally.

Should owners of second homes whose main residence is a job-related dwelling be exempt from the Council Tax premium? What evidence should owners of second homes have to provide to prove that they live in job-related dwellings? Do you think the exemption should only cover people regarded as living in job-related accommodation?

Do you think an additional exemption is required to ensure that Ministers of Religion who own a second home are exempt from the premium?

Do you think an additional exemption is required to ensure that personnel residing in accommodation provided by the Armed Forces and who own a second home are exempt from the premium? Do you think that the exemption from the premium for job-related dwellings should only apply if the job-related dwelling is in the UK?

Recommended Response

The Council supports the principle of exempting owners of second homes from the council tax premium where the person must live elsewhere, only in the UK, because of their employment.

Owners should provide documentary evidence to demonstrate that the live in property is job-related. Such evidence should include a copy of a contract or a supporting statement from the employer to confirm the lived in property is provided as a condition of employment.

This exemption should only cover people regarded as living in 'job related accommodation and there are no further exemptions required. There is sufficient scope within this 'job related' exemption to also exempt Ministers of Religion and Armed Forces Personnel who may otherwise fall to become liable for the council tax premium.

There is currently a mandatory 50% discount for dwellings that consist of a pitch occupied by a caravan or a mooring occupied by a boat where they are not a person's sole and main residence.

WG want to ensure caravans and boats that are eligible for this discount continue to receive the discount. As a result, WG proposes to exempt these caravan pitches and boat moorings from the council tax premium

Should pitches occupied by caravans and moorings occupied by boats be exempt from the Council Tax premium?

Recommended Response

Yes, retaining the status quo is recommended for empty pitches or moorings.

Local authorities have discretionary powers around the level of discount, if any, that applies to properties which are furnished, are not any person's sole and main residence, and the occupation is prohibited by law for a continuous period of 28 days or more in a year. These type of properties tend to be classed as 'seasonal homes' and encompass a broad range of properties but mainly caravans and purpose built holiday homes which cannot be lived in all year due to planning restrictions.

Are there any types of seasonal homes which you believe should be exempt from the Council Tax premium? If so how do you think they should be identified and defined in legislation?

Recommended Response

No. There are no other types of seasonal homes that would need to be exempted from the council tax premium proposals.