

Amendment to Council Tax Information Letter 4/2005

The case that should have been cited in relation to the Class G exemption is Hailbury Investments Ltd v Westminster City Council [1986] R.A. 187 not Tower Hamlets London Borough Council v St Katherine's by the Tower Ltd (1982) 80 L.R.G. 843.

It was also pointed out that our view that a planning restriction preventing occupancy will not amount to occupation which is prohibited by law for council tax purposes ran contrary to the view expressed in the Department of the Environment's Council Tax Implementation leaflet 42 of 13 March 1995. We have therefore looked at this again, but continue, in the absence of a specific council tax case, to consider that our interpretation based on the Hailbury case is the right one.

Clearly this is an area where the position is not clear cut. We would be pleased to hear from authorities that find this does cause difficulties in practice. If so we can consider whether we should amend the regulations.

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