

Tax Incremental Financing (TIF) Collectable Amount Return - Guidance Notes

1. The Non-Domestic Rating Contributions (Scotland) Amendment Regulations 2010 introduced Tax Incremental Financing (TIF) which allows local authorities to retain a determined amount of growth in non-domestic rate income for an area (the red line area), and to use that income to fund investment in the area concerned. The calculation of the amount to be retained by the council is determined by the Collectable Amount and Collected Amount.
2. **The Collectable Amount Return sets the initial Collectable Amount (baseline) for a TIF project.** It is a mid-year estimate of the Non-Domestic Rate income to be collected from properties in the TIF red line area, in respect of the financial year for which the September prior to the first TIF Investment falls.
3. The Collectable Amount (as defined in the TIF Regulations) is the total amount of NDR income payable for each rating year, for all properties in the TIF red line area. It is adjusted annually through the TIF Return to account for any material change in each rating year, as set out in Council TIF Agreements.
4. The Red line area is as defined in Council TIF Agreements.
5. The Collectable Amount return follows the structure of the Mid-Year Non-domestic Rate Income (NDRi) return for the relevant rating year. Therefore you should refer to the NDRi return guidance for details on what should be included in each line, and apply this for properties in the red line area only.
6. Guidance on the completion of the NDRi Return is available on the Scottish Government website at:
<http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance/ReturnNDRi>
7. When completing Collectable Amount Return, any prior-year adjustments (such as bad debts now collected, rates written off or backdated appeals) made for properties in the red line area should be included so that the income collected from these properties is correctly reflected in the return. In-year appeals loss should be reflected in the gross amount payable to the council.
8. The Collectable Amount Return is based on the Mid-Year NDRi return for the relevant financial year

Enquiries

9. If you have any queries about the completion of the return, contact alexander.mcphee@gov.scot or lynne.ward@scottishfuturestrust.org.uk

Submission

10. Returns should be submitted to the Scottish Government Infrastructure and Investment Unit within 5 business day of 30 September in the initial relevant year. Please email completed returns to helen.carter@gov.scot