

19 February 2025

Dear

ATISN 2333 – Classification of self-catering properties for local taxation purposes

Thank you for your request which I received on 3 February. You refer to the change of criteria used to classify self-catering holiday lets for local tax purposes, from 1 April 2023.

You asked:

1. To look at the evidence used in arriving at the decision.

Our response

The changes to the letting criteria used to classify self-catering properties for local tax purposes were given effect, from 1 April 2023, by the Non-Domestic Rating (Amendment of Domestic Property) (Wales) Order 2022. The related evidence and research is set out in the Welsh Government's Explanatory Memorandum and Regulatory Impact Assessment for the legislation, which can be found at: <https://senedd.wales/media/40gf3dzl/sub-ld15122-em-e.pdf>.

This information has been available since it was published on 24 June 2022 and it has been drawn to the attention of stakeholders on several occasions. The Minister for Finance and Local Government issued a written statement on the same date which referred to this information and the consultation process that informed the changes. That statement is available at: <https://www.gov.wales/written-statement-classification-self-catering-accommodation-local-tax-purposes>.

As set out in the documents provided above, the letting criteria take account of the responses to the consultation and factors such as the operation of the previous thresholds and the thresholds applied for other purposes. The Welsh Government is of the view that properties let out as self-catering accommodation on an infrequent basis should be liable for council tax.

As a consequence of the changes, self-catering properties are classed as non-domestic only if they are being used for business purposes for the majority of the year. This provides a clearer demonstration that the properties concerned are being let regularly and are making a substantial contribution to the local economy.

Next steps

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,
Welsh Government,

Cathays Park,
Cardiff,
CF10 3NQ

or Email: Freedom.ofinformation@gov.wales

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at: Information Commissioner's Office,
Wycliffe House,
Water Lane,
Wilmslow,
Cheshire,
SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely,