HM Treasury

Online Sales Tax

response to the consultation

February 2023

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Chapter 1

Introduction

1.1 On 25 February 2022 HM Treasury launched a consultation exploring the arguments for and against the introduction of an online sales tax (OST). The consultation was an outcome of the Business Rates Review, which concluded at Budget 2021. The review concluded with reform of the business rates system in England (business rates are devolved) to make the system fairer and more responsive.

1.2 The OST consultation followed sustained calls from some retailers for the introduction of a new tax on online shopping, with revenues used to fund business rates relief for in-store retail. Those calling for an OST argued that taxation of the retail sector is “imbalanced” because business rates are proportionate to commercial property values, which tend to be higher for in-store retail. They pointed to relatively high levels of online retail in the UK compared to international peers, suggesting that the growing market could be a sustainable source of tax revenue to fund business rates relief. The priority for these stakeholders was generally to reduce the burden of business rates.

1.3 Covid-19 accelerated a process of innovation which UK retailers have spearheaded for decades. The UK is home to world-leading retailers operating online. These include “omni-channel” retailers, which operate both in-store and online, as well as online-only businesses. Revenue from internet shopping increased to almost 40% of all retail sales at points during the pandemic and remains above 2019 levels[1] . There is now some evidence that consumers are returning to pre-pandemic shopping habits. The trend towards more online shopping is, however, a longer-term one driven by technological development and consumer choice. The government’s assessment of the merits and drawbacks of introducing an OST is based on long-term developments, rather than the immediate impact of Covid-19.

It was with the above framing – as an option to raise revenue to fund business rates reductions for in-store retail – that the government has explored the arguments for an OST. There is no international precedent for a sales tax specifically applied to online retail and respondents put forward a wide range of potential designs.

[1] Internet sales as a percentage of total retail sales (ratio) (%) - Office for National Statistics (ons.gov.uk)

Consultation engagement and responses

1.4 This was an open consultation, exploring the arguments for and against an OST, the various design options and questions associated with such a tax, as well as its potential impacts. The consultation represented an early stage in policy development.

1.5 The government conducted extensive engagement during the consultation, including roundtables and bilateral conversations with stakeholders from industry and consumer groups. 3,037 written responses were submitted, including 2,723 standardised responses as part of a campaign and 314 other responses from businesses and individuals.

Consultation themes

1.6 A number of themes emerged during the consultation. These are summarised below and expanded upon in detail later in the document:

- A large majority of respondents in the retail sector mentioned concerns about business rates. Many suggested the retail sector was highly taxed compared to other industries.
- A minority of respondents felt that long term business rates reliefs were essential and would be open to an OST if it could enable that, depending on the tax's design. There was almost no support for an OST as a standalone policy.
- There was no consensus on how to define an online sale for the purposes of an OST. Respondents identified a wide and ever-growing range of retail business models with rapid and continuous innovation.
- Many respondents expressed concerns about the complexity of an OST, with some pointing to existing burdens on the retail sector following the pandemic and other recent policy measures. For some respondents, this suggested an OST, if implemented, should be introduced as part of the VAT system to reduce complexity.
- The likelihood that the cost of an OST would be passed through to consumers was highlighted by many. Some expressed concern this could increase inflation and worsen cost of living pressures, particularly for vulnerable groups which may rely on online retail.

Government position

1.7 The OST consultation ran from February to May 2022. The government has considered insights shared during engagement with stakeholders and analysed evidence submitted in response to the consultation, and at Autumn Statement 2022 announced its decision not to proceed with an OST. The government's decision reflects concerns raised about an OST's complexity and impact on businesses and consumers. In the same statement the government announced a number of reforms to the business rates system responding to key asks from businesses, including OST proponents.

1.8 As will be explored in more detail below, the balance of responses suggested that an OST would be complex, distortive, and would not raise sufficient revenue to fund the scale of business rate relief stakeholders have called for. The proposal does not command widespread support from the retail sector or members of the public. Support is even less pronounced when considering the myriad different forms of OST under discussion. None of the models discussed would raise sufficient revenue to replace the business rates system or remove business rates liability for retail. For example, retail business rates will raise about £6.7 billion per annum in England post-revaluation. As was explained in the consultation document, initial estimates suggested that an OST could raise approximately £1 billion per annum in the near term. Respondents' feedback suggested that any plausible model of OST would not raise enough funding to provide sufficient business rates relief to all retailers with physical stores.

1.9 The majority of OST proponents saw an OST as an alternative way of delivering reforms to the business rates system, including providing relief to retailers and rebalancing the burden of business rates between in-store and online retailers. While the government decided not to proceed with an OST, it remains committed to delivering the reforms announced at the conclusion of the Business Rates Review.

1.10 The government has announced at the Autumn Statement 2022 that it will go ahead with the 2023 business rates revaluation. From 1 April 2023, business rates bills will be updated to reflect changes in property values since the last revaluation in 2017 (which was based on property values in 2015). Together with a generous revaluation package total business rates paid by the retail sector are estimated to fall by 20% but will rise 27% for large distribution warehouses. The revaluation of the tax base will therefore address a key concern from OST proponents about the imbalance of taxation between in-store and online retail.

1.11 The government also announced a package worth £13.6 billion over the next five years to support businesses as they adjust to their new bills at the 2023 business rates revaluation. This includes a freeze to the multiplier for 2023-24, which will benefit all ratepayers, and an extended and increased retail, hospitality, and leisure relief for 2023-24. The government is also introducing a generous Transitional Relief scheme worth £1.6 billion over the next 3 years. This will support businesses facing bill increases due to the revaluation. The government is scrapping 'downwards caps,' which restricted falls in bills at previous revaluations, meaning businesses with falling bills will see the benefit from 1 April 2023.

Chapter 2

Scope

2.1 Proposals for an "online sales tax" have circulated for several years. There is not, however, consensus on what such a tax would look like or the underlying policy rationale. Some conflated an "online sales tax" with the UK's Digital Services Tax – a tax introduced from April 2020 with a very different purpose and design to the OST proposal considered in this consultation. Others consider an "online sales tax" to be a tax on deliveries, perhaps with environmental objectives.

2.2 This consultation has considered an OST that would be a tax on online retail, with a question as to whether that would apply to goods only or goods and some services. The policy question is whether an OST would be an appropriate tool to fund business rates relief for in-store retail. Encouraging consumers to shop in-store rather than online was not considered an objective of an OST.

What is an "online sale" for the purposes of an OST?

2.3 A central question when considering the case for and against an OST is how such a tax would be designed and which revenues would be included in scope. Arriving at a durable and coherent definition of an online sale for tax purposes is not straightforward. Several omni-channel retailers (those which operate both online and offline) responding to the consultation described the distinction between online and in-store retail as a "false dichotomy", noting that in many cases the two fields are not distinct.

2.4 Retailers described a wide range of customer journeys. For example, for stores selling bulky items like furniture or some musical instruments, the customer may receive extensive in-store support and advice before ultimately completing a transaction online and having the product delivered, and possibly installed, at home. Other retailers described a customer journey which involves extensive browsing and research online, before a customer briefly visits their chosen store to purchase an item (this is distinct from click and collect, described below). Respondents questioned why revenue from the first transaction should attract OST and not the second given that both involve substantial online and in-store elements. A further challenge is presented by the growing trend where customers can purchase products online via self-service machines or via apps while in-store, with purchases collected from a counter or be delivered at the customer's home address.

2.5 Respondents to the consultation put forward a wide range of potential definitions for an OST's scope, including any transaction with no customer visit to a retail store; any transaction where the product is delivered to a home address; or any order placed online. No single definition attracted widespread support and all presented significant challenges and risks of inconsistencies.

2.6 The range of "click and collect" models presented further challenges when considering the potential scope of an OST. This question attracted a wide range of views from respondents, with no proposal presenting a consistent and future-proofed definition. Some respondents thought all click and collect should be out of scope, because home delivery was the critical hallmark of an online sale. Others thought click and collect from the retailer fulfilling the order should be exempt from OST. Most respondents thought click and collect from lockers or third-party sites should be taxable.

2.7 In all cases there are boundary challenges. Taxing revenues from orders collected from lockers, for example, attracted widespread support. But in many cases lockers are placed in or very near to in-store retail locations. Additionally, some collection from "retail locations" bears close resemblance to a click and collect locker. Consider for example collection from a van in the car park of a super-store. This range of business models has developed and continues to develop rapidly as technology and consumer preferences evolve. As such there would be significant challenges in drawing a consistent boundary around a set of transactions to which OST would apply, as well as risks of distortion or asymmetrical outcomes in doing so. Under all possible pathways for treating click and collect, there are likely to be prominent examples of transactions which appear to be "in-store" attracting OST, or transactions with many hallmarks of an "online sale" being deemed exempt. A further logistical challenge put forward by respondents was the tracking of precise delivery methods. Customers may change the method of fulfilment (delivery or collection from a range of locations) after the order has left the retailer. The retailer, likely to be the OST payer, may therefore incorrectly categorise revenue from the order as in or out of scope for the tax.

2.8 A further fundamental question when considering the scope of an OST is whether the tax would apply to revenues from internet mediated transactions only or extend to other 'remote' sales such as those agreed by phone, text, or mail order. Some argued that an OST applied to a broader category of "remote sales" would be simpler to administer and ensure equal treatment of similar business models. Others suggested that taxing a broader set of "remote" sales would discriminate against certain business models, including manufacturers selling directly to consumers. Both options present considerable challenges in designing a sustainable and coherent tax.

Goods and services

2.9 As well as the various transaction patterns discussed above, the range of products sold online presents challenges when considering OST design. The consultation asked about a range of goods and services that some proponents have suggested would be taxed by an OST, if introduced.

2.10 Respondents had a wide range of views on whether revenues from the sale of goods alone or goods and services should be taxable. Respondents were similarly divided on exemptions for certain sub-categories of products. The rapid pace of innovation in the sector and the array of new products would increase the chance that an OST, if introduced, would need regular amendments.

2.11 There was a strong consensus that in principle, rules would need to be transparent and easy to apply. Many respondents noted that using existing categorisation from the VAT regime would offer familiarity. Others noted that product innovations can lead to complexity in judging whether a sale is taxable or not. However, only a small minority of respondents called for a broad-based tax on goods and services despite this.

2.12 Examples of challenging boundaries include supplying takeaway meals, which is considered a service for VAT purposes, but which bears close resemblance to some rapid delivery of groceries. Digital products present further challenges. Respondents identified the similarity and potential substitutability of digital and physical products, for example eBooks and physical books. The boundary between these products is complex, with different transaction options (subscription or purchase) and different product bundles (e.g. purchase of a vinyl album including a download of the album).

2.13 Respondents were asked to consider the risks of avoiding an OST by shifting value from taxable goods to non-taxable items if boundaries were to be created. For example, were an OST to tax goods only, sales of goods and services would contain a boundary between a taxable good and a non-taxable service, such as installation or warranty on a purchase of white goods. There was general agreement that this risk would need to be addressed, but no clear answers on how to draw the scope of the tax as a result.

2.14 The majority of respondents felt that the scope should focus on taxing the sale of goods. The risks of value shifting; the additional complexity that comes with exemptions; and the fact that the Business Rates system is agnostic about the product sold from a given premises all suggest an OST would have few or no exclusions for certain goods. However, many respondents made arguments for a host of exemptions. In some cases, these were put forward to protect access to culture, such as theatre tickets, books, and racehorses. Respondents also sought exemptions for 'essential items' in a range of forms to protect vulnerable groups, particularly in light of the rising cost of living.

Treatment of business-to-business sales

2.15 The overwhelming majority of respondents who addressed the question agreed with the government's position put forward in the consultation that if an OST were introduced, it should not give rise to an economic cost in relation to transactions between businesses ("B2B" transactions). If this was not a feature of the tax, OST would inevitably be applied at several points in a supply chain leading to a disproportionate total cost. However, there was no agreement on how this could be achieved in a proportionate and administrable manner.

2.16 Some respondents suggested that an OST should be charged in all cases but be recoverable by businesses receiving supplies. This could be achieved either through the existing VAT framework or by replicating this framework for the purposes of an OST. However, none of these approaches would be consistent with the structure of the tax under discussion and both would present considerable complexity.

2.17 Some respondents suggested that OST should be introduced as part of the existing VAT framework, for example as a VAT surcharge for online sales. The government has assessed this proposal and does not see it as an effective solution. Although it would address some of the problems associated with B2B sales via the ability to recover VAT, it would be far from a complete answer to those. It would introduce considerable risk and complexity to the existing VAT system and would not address any of the fundamental challenges discussed above with regard to the definition of an online, in-scope, sale.

2.18 The majority of respondents who addressed the question agreed that B2B transactions should be exempted from OST. However, that would necessarily involve suppliers identifying which of their customers were businesses and which were not. The identification process cannot be straightforward in all cases and could potentially require several verification steps during the sales process increasing the administration costs of OST for businesses.

2.19 In summary, there was widespread agreement from respondents that, as outlined in the consultation, an OST would require a B2B exemption if such a tax were implemented. There was not, however, agreement on how such an exemption should be designed and operated and all options would add complexity to the tax.

Chapter 3
Design

3.1 The consultation considered two models for calculating the tax due under an OST. These were a revenue-based model, or a 'flat-rate' model based on the number of a relevant online sales metric (e.g. number of online orders, number of items sold online, number of deliveries made). The revenue-based approach would apply a percentage to the amount of revenues generated from relevant online sales, with proponents generally suggesting a rate of 1-2%. The 'flat-rate' would be a fixed fee applied to the chosen metric.

3.2 Responses to the consultation broadly favoured a revenue-based model. Although there was a significant proportion of responses that were unsure which would be the best approach, there were few that outright favoured the 'flat-rate' approach.

3.3 Those that did favour a flat fee approach suggested it would be a simpler method for businesses to apply, but this was disputed. Proponents for the flat-rate method suggested behavioural changes under this approach might bring environmental benefits. For example, a customer might make a single order of several items to avoid multiple flat-rate charges, rather than several smaller orders each attracting a charge.

3.4 Generally, respondents thought that a revenue-based approach would be fairer and a less disproportionate tax, particularly on sales of lower value items. There was also concern that a flat-rate fee might generate distortive behaviour from buyers or sellers, for example bundling several smaller goods together for sale as one item. This could favour larger online retailers over smaller or more specialised businesses.

3.5 The consultation considered the perspective and impacts of overseas businesses established in the UK market or considering entering into it. Respondents were concerned about equal treatment for overseas and domestic sellers to UK consumers. Furthermore, concerns about a compliance gap presented considerable challenges. Limited feasible solutions were put forward. Consideration was given as to whether intermediaries such as marketplaces could play a role in protecting OST revenues from overseas sellers made through those platforms, among other things – this is discussed further below.

Administrative Burden

3.6 As a new tax, an OST would inevitably lead to some degree of increased administrative burden on businesses. Some, generally larger, businesses were confident that OST compliance could be built into their existing systems relatively easily. However, many more respondents were concerned that compliance could not be straightforward given the complexities of the tax discussed above.

3.7 More generally there was a concern that given the low proposed rate of the tax, the compliance costs would be disproportionate when compared to the tax due. This would be a particularly acute issue for businesses which expected their turnover to be close to any threshold or allowance applicable to the tax.

3.8 Several respondents also commented that the administration burden would impact HMRC's resources for the compliance and collection of the tax efficiently given OST's anticipated low rate and total yield.

3.9 The consultation highlighted the variety of different business models being employed to sell goods online. These included franchises, agents, and online marketplaces. These structures raise questions as to where OST liability would sit.

OST Liability

3.10 Most agreed that the vendor should be responsible for payment of an OST. This would, however, place considerable administrative burden on a large number of retailers in the UK and overseas. The precise number of taxpayers would depend on other design considerations, including the taxes scope and, if applicable, revenue threshold.

3.11 More specifically on overseas vendors, some respondents argued that an OST was likely to discourage them from entering the UK market, affecting competition in the UK market which may limit consumer choice.

3.12 The consultation highlighted the variety of different business models being employed to sell goods online. These structures raise questions as to where OST liability would sit if it was not on the vendor. Some proposed that if marketplaces and intermediaries were liable for an OST, this could reduce the administrative burden for retailers trading through them. However, that would require considerable data collection by marketplaces which is likely beyond the information they currently hold. For example, if sellers were trading through multiple platforms any single marketplace is unlikely to have visibility on that sellers' overall revenues from in-scope sales. Several similar proposals were put forward, but none presented a workable model for an OST without considerable downsides.

Chapter 4
Impact

Innovation

4.1 The proportion of retail conducted online is high in the UK by international standards. The growth of online retail accelerated further during the pandemic, although long term trends are not yet clear. Innovative businesses adopting advanced technology to meet consumer needs are a mark of the world-leading UK retail sector. The government wishes to see more investment in technology. Technology brings productivity growth which leads to higher living standards.

4.2 Some respondents suggested that the relatively low rate of tax discussed in the consultation and the clear trend towards online retail meant an OST would not act as a deterrent to online business models. The consultation also discussed the introduction of a relatively high threshold or allowance to protect SMEs and those firms with relatively low levels of online sales from administering and paying an OST. Respondents generally supported this.

4.3 Many respondents operating online or omni-channel retail models nevertheless suggested that an OST would reduce investment in, and the adoption of, online retail technology. They argued that the increased marginal cost of an online sale and the burden of administering an OST would dissuade existing retailers and start-ups from moving into online retail. Some respondents suggested an OST would particularly hinder smaller businesses because it would not apply as a proportion of profits and because of the high cost of administering a tax with complex boundaries determining its scope. This could constrain the growth plans of those firms by reducing available funds for investment in their online operations.

The High Street

4.4 Proponents of an OST have cited the need to ‘rebalance’ the burden of taxation between in-store and online retail. Most respondents felt that the burden of business rates was too high for in-store retail. This is discussed in more detail below.

4.5 Consultation responses on the impact of an OST on in-store retail were varied. Some felt that because the cost would likely be passed to consumers (discussed below) an OST, particularly under a flat fee model, would encourage some consumers to shop in-store rather than online. This was not, however, the context in which the government was assessing the merits of an OST. The consultation was clear that, if implemented, the government’s intention would be for minimal distortion of consumer and business behaviour. Most retailers responding to the consultation felt that prevailing consumer preferences would drive retail habits, with an OST unlikely to shift behaviour, particularly given the relatively low rate of tax discussed.

4.6 Many retail sector respondents felt the introduction of an OST could be detrimental to high street retail. Some smaller in-store businesses pointed to their reliance on online retail to reach consumers during the pandemic and said that online provided a significant growth opportunity in years to come. Some suggested that, given the challenge of delineating in-store from online retail, an OST would apply to some transactions which fundamentally took place in a high street store, for example, some forms of click and collect discussed above. Some respondents suggested a tax applied in this way could reduce footfall to the wider high street. Others argued that the increased cost of an OST on omni-channel retailers (those selling both in-store and online) could harm the high street. The cost of an OST, it was argued, would reduce the profit margins of omni-channel retailers. Those retailers would take corresponding steps to reduce costs, often by cutting back on their least profitable operations. In many cases, it was suggested, this would be in-store retail sites.

4.7 While the government decided not to proceed with an OST, it announced it will go ahead with the 2023 business rates revaluation in England. From 1 April 2023, the revaluation will update rateable values (RVs) for non-domestic properties and the multiplier in line with evidence from April 2021. Therefore, business rates bills will reflect changes in market conditions since 2015. The revaluation ensures bills more closely reflect the property market and means the burden is fairly redistributed across all non-domestic properties.

4.8 Alongside the revaluation, at Autumn Statement 2022 the government delivered a package of support to businesses worth £13.6 billion over the next five years. This includes a freeze to the business rates multiplier for 2023-24, which will benefit all ratepayers. The package goes even further to support the retail sector, by extending and increasing the Retail, Hospitality and Leisure relief from 50% to 75% in 2023-24, up to a £110,000 cash cap per business, supporting around 230,000 properties. The government also introduced a generous Transitional Relief scheme worth £1.6 billion over the next 3 years to support businesses facing bill increases at the revaluation and is delivering significant reform by scrapping 'downwards caps', which restricted falls in bills at previous revaluations. This is expected to benefit around 300,000 ratepayers who will see a full fall in their bills from 1 April 2023.

4.9 Total business rates paid by the retail sector are estimated to fall by 20% but will rise 27% for large distribution warehouses. This redistribution of the rates burden is in part a reflection of growth in online sales and longer-term changes in the retail sector since the previous valuation date in 2015. The removal of downwards caps from transitional relief will help rebalance the burden of business rates more fairly between bricks & mortar and online retail straight away from 1

April 2023. This meets a key ask from businesses, including OST proponents.

4.10 The business rates package above follows on from the generous packages the government previously provided to support businesses, including the retail sector during the pandemic.

- The government allocated almost £27 billion through the COVID-19 Business Grants scheme to local authorities in England, which delivered over 4.5 million payments totalling £22.6 billion, to businesses impacted by the pandemic.
- The government introduced a collection of loan guarantee schemes which collectively supported more than £79 billion worth of finance through more than 1.6 million facilities to support businesses of all sizes to get through the pandemic.
- The introduction of the Coronavirus Job Retention Scheme (CJRS) supported 11.7 million jobs across the UK with employer claims totalling £70 billion, aiding businesses, and protecting livelihoods.
- The introduction of unprecedented business rates support worth £16 billion for the retail, hospitality, and leisure sectors throughout the pandemic, supporting around 400,000 properties in different localities across the UK. In addition, the government has made £1.5 billion available through the COVID-19 Additional Relief Fund (CARF) to support businesses previously not eligible for business rates support.

Macroeconomic Impacts

4.11 As part of the government's assessment of whether or not to proceed with an OST, the consultation asked for evidence on the potential impact the tax would have on the economy.

4.12 Many retailers of various business models made the argument that due to low profit margins in online retail they would have to increase their retail prices transferring the costs to consumers. Alternatively, some argued they would have to renegotiate wholesale prices with their suppliers, sharing the burden of OST costs up the supply chain. Some were concerned that the administration cost could exceed their tax liability, given the low rate of tax.

4.13 Some retailers, operating both in-store and online, argued that price increases online would be matched by increasing in-store sale prices to align across different channels. They, therefore expected that they would increase all prices – both in-store and online – to cover the cost of OST. For example, if online was 50% of their business and OST was 1%, they would increase all prices by 0.5%. Retailers of all sizes suggested that the economic context made this a particularly challenging time for the introduction of a new sales tax, given the current high levels of inflation.

4.14 Respondents raised concerns that an OST would impact lower income households and consumers who depend more on deliveries, including people with mobility issues and consumers in rural areas. This could be in the form of higher prices for those that rely on online retail, or the lack of service if firms reduced deliveries to rural locations.

Environment

4.15 There was no consensus among respondents on the environmental impact of an OST. Some respondents argued that it might be more beneficial to the environment if consumers were doing all their shopping in a single journey to the high street. On the other hand, the continuous adoption of electric vehicles and strategies for more efficient deliveries might be more beneficial from an environmental perspective in comparison to in-store shopping.

4.16 There are no implemented examples of an OST or 'delivery tax' internationally, meaning the evidence base around the environmental impact of these policies is limited. The OST consultation document was clear that if implemented, an OST would not aim to change consumer behaviour.

Chapter 5
Conclusion

5.1 The government ran an open consultation exploring the arguments for and against an OST; the various design options; and its potential impacts. It conducted extensive engagement with stakeholders and assessed large number of responses submitted over the course of the consultation. In light of the concerns raised and the absence of credible solutions to the challenges identified in the consultation, the government decided not to proceed with an OST. This decision was announced at Autumn Statement 2022.

5.2 This document sets out in detail stakeholders views on OST, including an assessment of the challenges put forward. A large majority of respondents opposed the introduction of an OST, including retailers of all sizes and various business models. While many supported further reforms to reduce the burden of business rates on retail, most respondents felt that an OST was not the right vehicle to achieve this outcome.

5.3 A minority of respondents felt that long term business rates reliefs were essential and expressed openness to the introduction of an OST to fund those reliefs. Even those taking that position expressed reservations depending on the tax's design. There was almost no support for an OST as a standalone policy.

5.4 The central challenge identified by respondents was defining taxable revenue from online sales. All proposed definitions risked arbitrary outcomes and considerable complexity for businesses, particularly in light of rapidly evolving business models.

5.5 Almost all respondents were concerned about the administrative complexity of a new tax, but respondents had widely varied views about the lowest-burden design. For the consumer, increased prices were widely expected.

5.6 Finally, respondents expressed concern that an OST would not achieve widespread business rates relief. However regardless of whether they were opposing or supporting the idea of an OST, many respondents expressed support for further reforms to the business rates system.

5.7 At Autumn Statement 2022 the government announced it would go ahead with the 2023 business rates revaluation and recommitted to delivering reforms announced at the conclusion of the Business Rates Review, which will address concerns raised by some stakeholders. From 1 April 2023, business rates bills will be updated to reflect changes in property values since the last revaluation in 2017. In future, more frequent revaluations will make the system fairer and more responsive to changes in the commercial property market.

5.8 The government is introducing a package of support worth £13.6 billion over the next five years to support businesses as they adjust to their new bills. This includes significant reform to Transitional Relief to allow around 300,000 ratepayers to see the full fall in their bills on 1 April 2023, and an extended and increased retail, hospitality, and leisure relief for 2023-24. This is support worth over £2 billion for around 230,000 retail, hospitality and leisure businesses which make our high streets and town centres successful.

Annex A
List of Respondents

2,723 standardised responses as part of a campaign

56 responses from individuals

58 responses from sole traders & microbusinesses

ABC Powermarine

Aberdeen & Grampian Chamber of Commerce

Accessible Retail

Admiral Taverns

Adventoris

Airlines UK

Airport Operators Association

Aldi

All Our Bars Limited

All Saints Retail Limited

Altus Group

Amazon

AO World Plc

Asda

ASOS

Association of Accounting Technicians (AAT)

Association of British Insurers (ABI)

Association of Convenience Stores

Association of International Courier & Express Services

Association of Taxation Technicians (ATT)

Auction Technology Group

Averys of Bristol Ltd

Bacta

BCA Farnham

BDO

Betting and Gaming Council (BGC)

Black Sheep Brewery

boohoo

Booksellers Association

Boots

Brewhouse and Kitchen

British American Tobacco UK Limited

British Beer & Pub Association

British Chambers of Commerce

British Horseracing Authority

British Independent Retailers Association

British Institute of Innkeeping (BII)

British Property Federation

British Retail Consortium

British Takeaway Campaign

British Toy & Hobby Association

British Universities Finance Directors Group

BT

Bunches Florapost Limited

Central London Forward

Centre for Policy Studies

Charity Finance Group

Charity Law Association

Charity Retail Association

Charity Tax Group

Chartered Institute of Taxation (CIOT)

Classic Football Kit Limited

Clear Channel UK Limited

Colliers

Confederation Of British Industry

Co-operative Group Food Limited

Costa Coffee

Country Land and Business Association (CLA)

Crossace Ltd

Currys

Deliveroo

Dellonda Ltd

Deloitte LLP

Direct Wines Ltd

District Councils' Network (DCN)

Domino's Pizza Group PLC

DPD group

DWF Law LLP

eBay

Edward Bence Hotels Ltd

Emmaus UK

Eponine Patisserie Ltd

Ernst & Young LLP

Etsy

eu travel tech

Evri

Experian plc

F.Hinds Ltd

Federation of Small Businesses

FedEx

Ford Motor Company Ltd

Frederic Robinson Ltd

Fuller, Smith & Turner PLC

Getir

Greater London Authority

Greggs PLC

Guardian News & Media

Gymshark group

Hair and Barber Council

Hampshire County Council

Heathrow Airport

Heineken

Historic Houses

Holland & Barrett

Housing Units Group Limited

Information Technology Industry Council (ITI)

InPost UK

Institute of Chartered Accountants in England and Wales (ICAEW)

Institute of Chartered Accountants of Scotland ('ICAS')

Institute of Directors

Institute of Economic Affairs (IEA)

Institute of Revenues, Rating and Valuation (IRRV)

JD Sports Fashion plc

John Lewis Partnership

Just Eat

Kikapay Limited

Kingfisher

Knightsbridge Partnership

Laithwaites Wine

Land Management Limited

Landsec

Leeds City Council

Leicester City Council

Lewisham Council

Liberata UK Ltd

Local Government Association

Logistics UK

Low Incomes Tax Reform Group (LITRG

M&Co Trading Limited

MADE.com Group Plc

Marks & Spencer

McDonalds

McMullen & Sons

Morrisons

Motion Picture Association

Naked Wines

National Association of Motor Auctions (NAMA)

National council for voluntary organisations

National Craft Butchers (NCB)

National Farmers' Union

National Franchised Dealers Association’s (NFDA)

National Hair & Beauty Federation (NHBF)

Nestbridge Ltd

New West End Company

News Media Association’s

North Northamptonshire Council

North Shore Golf Club (Skegness) Ltd

Ocado Retail

On The Shore Restaurants Ltd

Outdoor365 Limited

Oxfam

Pilgrims Hospices

Pizza Hut

Primark

Professional Publishers Association

Punch Pubs & Co

Raystede Centre for Animal Welfare in Ringmer

Retail Jobs Alliance

Richard Hathaway Lighting

Rimmer Bros Ltd

Royal Institution of Chartered Surveyors (RICS)

Royal Mail Group

Royal Yachting Association (RYA)

RSM UK Tax and Accounting Limited

Sage Group PLC

Sainsbury's Supermarkets Ltd

Scottish Chambers of Commerce

Scottish Grocer's Federation

Selfridges Group

Setfire Media

Sport and Recreation Alliance

St Ann's Hospice Trading Company Ltd

St Austell Brewery

St Brides Spa Hotel Ltd

Suffolk Chamber of Commerce

Tax Director Network

TechUK

Tenpin Bowling Proprietors’ Association

Tesco

The Association of Chartered Certified Accountants (ACCA)

The Coalition for a Digital Economy (Coadec)

The Economist

The Hand at Llanarmon Ltd

The Rugby Football Union

The Shopkeepers’ Campaign

The source hastings ltd

The TaxPayers' Alliance

The Very Group

Titanic Brewery

Tourism Alliance

Trust Inns

Uber

UK Digital Business Association

UK Finance

ukactive

UKHospitality

Ukie

Unibail-Rodamco-Westfield

UPS

Usdaw

Value Retail Management (Bicester Village) Limited

VAT in Industry Group

VegTrug Limited

Vodafone

Volterra Partners LLP

Westminster City Council

WHSmith PLC

Wonky Table Hospitality

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk