

## **Appendix D1 – Council Tax Benefit Background**

### **a) Who has to pay Council Tax?**

Council Tax is a charge which is usually paid by the occupants of a domestic property. The full tax assumes that there are at least two adults living in the property. If there is only one occupant in the home, they may be eligible for a discount. The tax is also paid by the property owner where the property is unoccupied and no relief is applicable.

### **b) What is Council Tax Benefit?**

Council Tax Benefit is the means by which people on low incomes are helped to discharge their local tax liability. It is administered by local councils using rules set nationally by the government. No money is paid to the claimant. Instead, their Council Tax bill is reduced by the amount of their benefit.

### **c) Who can get Council Tax Benefit currently?**

Help with Council Tax bills is available through a non-contributory, income-related social security benefit. Essentially the benefit is a reduction in the Council Tax bill rather than a payment to a customer. Main Council Tax Benefit, which can be up to 100% rebate of the Council Tax, is based on the financial circumstances of the person liable for the Council Tax. In addition, alternative Council Tax Benefit (also commonly known as Second Adult Rebate), reduces the Council Tax bill by up to 25% (or up to 100% for students) and is based on the financial circumstances of the second adult who shares the home of someone liable for the Council Tax.