

VIII. APPLICATION OF A LEVY ON PROCEEDS OF SALE REGULATIONS (AS AMENDED BY REGULATIONS V 2012 AND REGULATIONS III 2020)

Edinburgh, 21 May 2008, Sess. VII

A. Definitions

1. In these Regulations:-

“Presbytery” means the Presbytery of the bounds unless the context otherwise requires.

“the General Trustees” means the Church of Scotland General Trustees incorporated by the Church of Scotland (General Trustees) Order Confirmation Act 1921.

“Central Fabric Fund” means the Fund formed in terms of Regulations VII 1979 (as amended by Regulations IV 1983 and II 1992, Deliverance 1994 and Regulations IV 1995, II 1998 and VI 2003).

“The Consolidated Fabric Fund” means the Fund formed in terms of Regulations VII 1995 (as amended by Regulations VII 2000 and V 2003).

“property” means all buildings and land for which Congregations are responsible, irrespective of whether these are vested in the General Trustees or in local trustees for Congregations but shall not include Glebe land vested in the General Trustees under Section 30 of the Church of Scotland (Property and Endowments) Act 1925.

“fabric project” includes works of repair, improvement and alteration at churches, halls and manses and replacement of and/or purchase of (sites for) churches, halls and manses.

B. Operation of Levy

1. There shall be a levy (hereinafter referred to as “the levy”) applied to the net proceeds arising from the sale of all property in every case where the proceeds are required to be credited to the Consolidated Fabric Fund – ie where the property is vested either in the General Trustees or in local trustees who are subject to the control of the General Assembly so far as disposal and/or use of sale proceeds is concerned.
2. The levy shall also apply to the proceeds of sales of property which are vested in local Trustees who are not subject to the control of the General Assembly so far as disposal is concerned and where the proceeds would not be credited to the Consolidated Fabric Fund; and in such cases it shall be the responsibility of the Presbytery to inform the General Trustees accordingly.
3. Subject to the following sections, the levy shall in all cases be 10% of the net proceeds of sale.
4. Where, after the net proceeds of sale have been added to a Congregation’s existing holding (if any) in the Consolidated Fabric Fund, the total holding is less than £75,000 or such other figure as may be fixed by the General Assembly from time to time (hereinafter referred to as the “base figure”) no levy shall be deducted.
5. Where, after the net proceeds of sale have been added to a Congregation’s existing holding (if any) in the Consolidated Fabric Fund, the application of the levy would result in that total holding being less than the base figure, the levy shall be reduced to the extent that the total holding shall never be less than the base figure.
6. A copy of the form “Calculation of 10% Levy on Property Sales” contained in the Appendix to these Regulations shall be completed in all cases and issued by the General Trustees to the relevant Presbytery and Congregation.

7. Where the levy is applied, the amount raised by it shall be allocated as follows:
 - (a) Where the proceeds require to be credited to the benefit of the Congregation in the Consolidated Fabric Fund, to the Central Fabric Fund;
 - (b) Where the proceeds do not require to be so credited but require to be held as a local fabric fund, at the discretion of the Presbytery either to the Central Fabric Fund or to a fabric project in relation to the buildings of any other Congregation within the Presbytery or a combination of the two.
8. (a) When approving the sale of property, the Presbytery may recommend to the General Trustees that, prior to the operation of the levy, part or all of the net proceeds of sale shall be applied in the first instance towards the cost of a fabric project already approved by it either in principle or in detail.
 - (b) Any Determination passed by the General Trustees under Act VII 1995 may specify, where appropriate, that the net proceeds of sale shall be applied in the first instance towards the cost of a fabric project and any balance remaining thereafter shall, subject to the application of the levy, be credited to the benefit of the Congregation in the Consolidated Fabric Fund.
9. These Regulations shall not apply to the sale of properties of dissolved Congregations where the proceeds are destined for the Central Fabric Fund under Regulations V of 1995.
10. The Regulations will come into immediate effect.

APPENDIX

CALCULATION OF 10% LEVY ON PROPERTY SALES

- A. Net sale proceeds before levy (1) £.....
 Potential maximum levy at 10% (2) £.....

Existing Consolidated Fabric Fund holding

Revenue 50.....	
Capital 55.....	
Capital 56.....	
Total	(3) £

Combined holding of (1) and (3) (4) £.....

- B. If total holding at (4) is under £75,000, then levy is NIL
- C. If total holding at (4) is £75,000 or more, then (4) £.....
 Minus (2) £.....
 Balance (5) £.....
- D. If balance at (5) is under £75,000, then reduce levy to leave minimum of £75,000 in the combined holding in the Fund, thus

(4) £.....
Minus £75,000
Reduced levy £.....

E. If balance at (5) is £75,000 or more, then apply maximum levy (2) £.....