

Landfill Tax: Application to Scottish Landfill Sites

Who is likely to be affected?

Landfill site operators who are registered for landfill tax and operate landfill sites in Scotland.

General description of the measure

This measure will correct an omission in landfill tax legislation in relation to the definition of a landfill site in Scotland. This omission has resulted in sites in Scotland not having been covered by landfill tax legislation since their waste disposal permit replaced their waste disposal licence, which occurred on a site-by-site basis in Scotland from 2004 onwards. The legislation will have retrospective effect.

No action is required by landfill site operators in Scotland or elsewhere in the UK and no additional burden will be placed upon them.

Policy objective

Landfill tax is a UK-wide tax on the disposal of waste by way of landfill. Its purpose is to increase the costs of disposal to landfill in order to encourage more environmentally sustainable ways of dealing with waste.

This measure will bring landfill tax legislation for Scottish sites into line with the rest of the UK.

Background to the measure

Following the UK's adoption of the Integrated Pollution Prevention and Control Directive 96/61/EC, there was a phased transition as UK landfill sites moved from the regimes of licences and resolutions to a system of permits introduced in the Pollution Prevention and Control Act ("PPCA") 1999.

The definition of a landfill site in landfill tax legislation cross refers to this environmental legislation. It was recognised that this site by site transition to permits would have a consequential impact on landfill tax provisions and, to deal with this situation, the PPCA amended landfill tax legislation from a date to be appointed by secondary legislation.

Landfill tax legislation was duly amended and these amendments were brought into effect in England and Wales on 21 March 2000 and Northern Ireland on 17 January 2003. However, the necessary commencement order was not made in Scotland, thereby unintentionally taking each Scottish landfill site outside the scope of landfill tax from the date its permit took effect.

Detailed proposal

Operative date

The legislation will have full effect from 21 March 2000.

Current law

Section 66 of Finance Act 1996 provides the interpretation of the term 'landfill sites' for landfill tax purposes. Section 66(ba) of the Finance Act 1996 was inserted by section 6(1) and paragraph 19 of Schedule 2 to the PPCA 1999. Provision was made for a commencement order to bring the inserted provision into force.

The Pollution Prevention and Control Act 1999 (Commencement No 1) (England and Wales) Order 2000 (SI 2000/800) brought the provisions into force in England and Wales from 21 March 2000 (and separate legislation applies to sites in Northern Ireland). However, the Scottish commencement order, the Pollution Prevention & Control Act 1999 (Commencement No. 2) (Scotland) Order 2000 (SSI 2000/322) did not bring the relevant provision into force in Scotland.

Proposed revisions

Legislation will be introduced in Finance Bill 2012 to deem section 66(ba) of the Finance Act 1996 to have been in force in Scotland since 21 March 2000.

Summary of impacts

Exchequer impact (£m)	2012-13	2013-14	2014-15	2015-16	2016-17
	-	-	-	-	-
	This measure is not expected to have an Exchequer impact.				
Economic impact	The measure is expected to have no significant economic impacts.				
Impact on individuals and households	This measure will not impact individuals and households as it is businesses and local authorities (who collect household waste) that pay landfill tax in respect to the amount of waste they send to landfill.				
Equalities impacts	This measure concerns the taxation of businesses and there will be no direct impact on individuals. As such it is very unlikely that there will be any impact on equality.				
Impact on business including civil society organisations	This measure is expected to have no impact on businesses or civil society organisations. This is because the measure is in place to restore the position those affected thought they were in.				
Operational impact (£m) (HMRC or other)	It is not anticipated that this change will incur any additional costs or savings for HMRC.				
Other impacts	None				

Monitoring and evaluation

The policy will be kept under review through regular communication with landfill operators affected by the measure.

Further advice

If you have any questions about this change, please contact the Excise and Customs Helpline on 0845 010 9000.

Declaration

Chloe Smith MP, the Economic Secretary to the Treasury, has read this Tax Information and Impact Note and is satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impacts of the measure.

1 Landfill sites: Scotland

The following provisions are to be treated as having come into force, in so far as they extend to Scotland, on 21 March 2000 –

- (a) paragraph 19 of Schedule 2 to the Pollution Prevention and Control Act 1999 (which inserts paragraph (ba) into section 66 of FA 1996 (landfill sites)), and
- (b) section 6(1) of the Pollution Prevention and Control Act 1999, so far as relating to paragraph 19 of that Schedule.

EXPLANATORY NOTE

LANDFILL TAX: APPLICATION TO SCOTTISH LANDFILL SITES

SUMMARY

1. This clause introduces retrospective legislation to correct an omission in landfill tax legislation in relation to the definition of a landfill site in Scotland. The legislation will have retrospective effect back to 21 March 2000 and will bring Scottish legislation into line with the rest of the UK.

DETAILS OF THE CLAUSE

2. The clause will deem section 66(ba) Finance Act (FA) 1996 to have been in force in Scotland from 21 March 2000.

BACKGROUND NOTE

3. Following the UK's adoption of the Integrated Pollution Prevention and Control Directive 96/61/EC, there was a phased transition as UK landfill sites moved from a regime of licences and resolutions to a system of permits introduced in the Pollution Prevention and Control Act ("PPCA") 1999.
4. The definition of a landfill site in landfill tax legislation cross refers to this environmental legislation. It was recognised that this site-by-site transition to permits would have a consequential impact on landfill tax provisions and, to deal with this situation, the PPCA amended landfill tax legislation to introduce a new subsection (ba) into section 66 of the FA 1996 from a date to be appointed by secondary legislation.
5. These amendments were brought into force in England and Wales on 21 March 2000 and Northern Ireland on 17 January 2003. However, the necessary commencement order was not made in Scotland, thereby unintentionally taking each Scottish landfill site outside the scope of landfill tax from the date its permit took effect. The effect of this clause is to bring section 66(ba) into force from the same date it was brought into force in England and Wales.