



HM Treasury

Landfill Tax: call for evidence

Ensuring the tax continues to support environmental objectives

November 2021

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Chapter 1

Introduction

- 1.1 Landfill Tax was introduced on 1 October 1996 to encourage the diversion of waste away from landfill and towards more environmentally friendly waste management options such as recycling, re-use and recovery. It is widely recognised as successful in achieving this objective – since 2000, local authority waste sent to landfill in England has fallen by 90%.
- 1.2 Notwithstanding this, environmental objectives have evolved since the introduction of the tax whereas the structure of Landfill Tax has remained broadly the same. In January 2018 the government launched the 25 Year Environment Plan, outlining ambitions for protecting the environment including to increase resource efficiency and reduce pollution and waste. In December 2018 the government published the Resources and Waste Strategy which set out further detail on plans to preserve our stock of material resources by minimising waste, promoting resource efficiency and moving towards a circular economy.
- 1.3 In Spring 2021, the government announced that there would be a review of Landfill Tax in England and Northern Ireland in due course, following engagement with stakeholders in the meantime. The government also announced that the aim of the review was to ensure the tax continues to support the government’s ambitious environmental objectives. The government welcomes the initial feedback from stakeholders, including the waste management sector, environmental groups and the devolved administrations, which has been considered when developing this review document.
- 1.4 Alongside considering how Landfill Tax can continue to support the government’s ambitious environmental objectives, the government, as part of the review, will also consider the structure of the tax and the impacts of any proposed changes to this on businesses, local authorities and individuals, and on waste crime. The government will also consider the interactions between the Landfill Tax in England and Northern Ireland, the Scottish Landfill Tax and the Landfill Disposals Tax in Wales.
- 1.5 In the context of wider environmental objectives, this call for evidence seeks views on the key design features, including levels of Landfill Tax that apply to different materials and on the circumstances in which exemptions and discounts can be claimed. The government wants to understand the views of stakeholders in this area before considering how Landfill Tax in England and Northern Ireland can continue to support positive environmental outcomes, in particular in relation to waste management.

1.6 What is the government consulting on?

Chapter 2 presents a series of questions about you, which will enable HM Treasury to contextualise responses to this call for evidence.

Chapter 3 discusses the waste policy landscape, including key environmental considerations.

Chapter 4 provides an overview of Landfill Tax and considers how aspects of the policy design interact with the wider landscape.

Chapter 5 considers the lower rate of Landfill Tax in the context of environmental objectives.

Chapter 6 sets out the main exemptions from Landfill Tax and invites views on whether these continue to support environmental objectives.

Chapter 7 sets out the basis of water discounting and invites views on whether this has adverse environmental impacts and on how the approach could be improved.

Chapter 8 invites views on other impacts.

How to respond

1.7 The deadline for responses to this call for evidence is 22 February 2022.

1.8 The best way to respond to this call for evidence is send your response by email to: ETTanswers@hmtreasury.gov.uk

1.9 Representation by mail can be sent to:

Landfill Tax Review
Energy and Transport Tax team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

1.10 Any questions about the call for evidence can also be sent to ETTanswers@hmtreasury.gov.uk

1.11 Paper copies of this document or copies in Welsh and alternative formats may be obtained free of charge from the above address. This document can also be accessed from GOV.UK.

1.12 All responses will be acknowledged, but it will not be possible to give substantive replies to individual representations.

1.13 Where possible, please also provide evidence to support your responses. This call for evidence will inform future policy development. The government will set out its intentions once it has considered the responses received.

Processing of personal data

1.14 This notice sets out how HM Treasury will use your personal data for the purposes of this call for evidence and explains your rights under the General

Data Protection Regulation (UK-GDPR) and the Data Protection Act 2018 (DPA).

Your data (Data Subject Categories)

- 1.15 The personal information relates to either a member of the public, parliamentarians, and representatives of organisations or companies who respond to this call for evidence.

The data we collect (Data Categories)

- 1.16 For the purposes of the UK-GDPR, we will process the information that you include in your correspondence, which may include your name, address, email address, phone number, job title, and employer of the correspondent, in addition to your opinions on the call for evidence. It is possible that respondents may volunteer additional identifying information about themselves or third parties.

Legal basis of processing

- 1.17 The processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in HM Treasury. For the purpose of this call for evidence the task is consulting on departmental policies or proposals or obtaining opinion data in order to develop good effective government policies.

Special categories data

- 1.18 Any of the categories of special category data may be processed if such data is volunteered by the respondent.

Legal basis for processing special category data

- 1.19 Where special category data is volunteered by you (the data subject), the legal basis relied upon for processing it is: the processing is necessary for reasons of substantial public interest for the exercise of a function of the Crown, a Minister of the Crown, or a government department.
- 1.20 This function is consulting on departmental policies or proposals, or obtaining opinion data, to develop good effective policies.

Purpose

- 1.21 The personal information is processed for the purpose of obtaining the opinions of members of the public and representatives of organisations and companies, about departmental policies, proposals, or generally to obtain public opinion data on an issue of public interest.

Who we share your responses with

- 1.22 Information provided in response to a call for evidence may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA) and the Environmental Information Regulations 2004 (EIR).
- 1.23 If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice

with which public authorities must comply and which deals with, amongst other things, obligations of confidence.

- 1.24 In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on HM Treasury.
- 1.25 Where someone submits special category personal data or personal data about third parties, we will endeavour to delete that data before publication takes place.
- 1.26 Where information about respondents is not published, it may be shared with officials within other public bodies involved in this call for evidence process to assist us in developing the policies to which it relates. Examples of these public bodies appear at:
<https://www.gov.uk/government/organisations>.
- 1.27 As the personal information is stored on our IT infrastructure, it will be accessible to our IT contractor, NTT. NTT will only process this data for our purposes and in fulfilment with the contractual obligations they have with us.

How long we will hold your data (Retention)

- 1.28 Personal information in responses to call for evidences will generally be published and therefore retained indefinitely as a historic record under the Public Records Act 1958.
- 1.29 Personal information in responses that is not published will be retained for three calendar years after the call for evidence has concluded.

Your rights

- 1.30 You have the right to request information about how your personal data are processed and to request a copy of that personal data.
- 1.31 You have the right to request that any inaccuracies in your personal data are rectified without delay.
- 1.32 You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.
- 1.33 You have the right, in certain circumstances (for example, where accuracy is contested), to request that the processing of your personal data is restricted.
- 1.34 You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.
- 1.35 You have the right to data portability, which allows your data to be copied or transferred from one IT environment to another.

How to submit a Data Subject Access Request (DSAR)

- 1.36 To request access to personal data that HM Treasury holds about you, contact: HM Treasury Data Protection Unit G11 Orange 1 Horse Guards Road London SW1A 2HQ dsar@hmtreasury.gov.uk

Complaints

- 1.37 If you have any concerns about the use of your personal data, please contact us via this mailbox: privacy@hmtreasury.gov.uk.
- 1.38 If we are unable to address your concerns to your satisfaction, you can make a complaint to the Information Commissioner, the UK's independent regulator for data protection. The Information Commissioner can be contacted at:
- 1.39 Information Commissioner's Office Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF 0303 123 1113 casework@ico.org.uk
- 1.40 Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

Contact details

- 1.41 The data controller for any personal data collected as part of this call for evidence is HM Treasury, the contact details for which are:

HM Treasury
1 Horse Guards Road
London
SW1A 2HQ
London
020 7270 5000
public.enquiries@hmtreasury.gov.uk

- 1.42 The contact details for HM Treasury's Data Protection Officer (DPO) are:

The Data Protection Officer
Corporate Governance and Risk Assurance Team
Area 2/15
SW1A 2HQ
London
privacy@hmtreasury.gov.uk

Chapter 2

About You

- 2.1 When replying to the call for evidence, please ensure that you answer the following questions:
- A. What is your name?
 - B. What is your email address?
 - C. Which category in the following list best describes you? If you are replying on behalf of a business or representative organisation, please provide the name of the organisation/sector you represent, where your business(es) is located, and an approximate size/number of staff (where applicable).
 - i. Business that does not operate a landfill site but produce waste that ultimately is deposited at one
 - ii. Business that operates a commercial landfill site accepting waste from third parties
 - iii. Business that operates a landfill site but does not accept third party waste
 - iv. Trade organisation or governing body
 - v. Environmental group
 - vi. Academic or research
 - vii. Local government
 - viii. Devolved Administration
 - ix. Individual
 - x. Other
 - D. Would you like your response to be confidential and, if so, why?

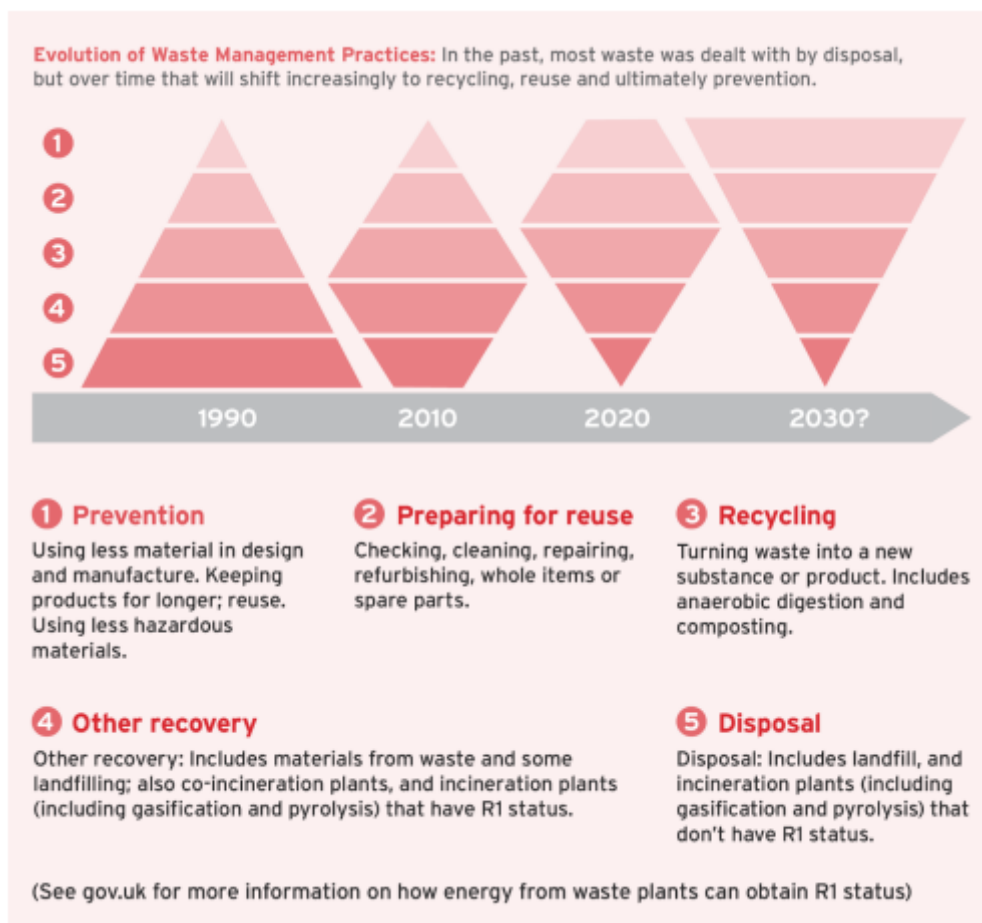
Chapter 3

Policy Landscape

Waste and Environmental Policy

- 3.1 The government's ambition is for zero avoidable waste by 2050. To achieve this, we must move towards a circular economy, where resources are reused for as long as possible and waste is minimised.
- 3.2 In England, the waste hierarchy has long been a guide to sustainable waste management and a legally binding consideration for the government when developing waste policy. The waste hierarchy ranks options for waste management, giving priority to preventing the creation of waste in the first place, followed by preparing waste for reuse, to recycling, and then recovery. Disposal – such as in landfill – is regarded as the worst option. The evolution of waste management practices is demonstrated in Item A.

Item A: Evolution of waste management practices



- 3.3 The 2018 Resources and Waste Strategy¹ set out the government’s plan to become a world leader in using resources efficiently and reducing waste, which included setting a number of ambitions alongside the launch of a series of consultations on major reforms to the waste system, which will have an impact on the amount of residual waste we produce. For example, by 2035 at least 65% of municipal waste by weight should be recycled, with no more than 10% ending up in landfill.
- 3.4 The Strategy also includes goals to halve food waste by 2030; stimulate demand for recycled plastic by introducing a tax on plastic packaging with less than 30% recycled content; to consult on measures such as Extended Producer Responsibility and product standards to tackle certain priority waste streams including textiles, certain construction and demolition wastes and bulky waste (furniture, mattresses, bedding and carpets); and to work towards the near elimination of biodegradable waste to landfill.
- 3.5 The Waste Prevention Programme is currently being finalised following consultation in March 2021. It will set out priorities for action to manage our resources and waste in accordance with the waste hierarchy. Policies will encompass three main themes:
- A. Products and design: including eco-design and consumer information requirements, and Extended Producer Responsibility schemes.
 - B. Systems: including producer responsibility and related collection and take back services, encouraging reuse, repair, leasing businesses and supporting facilities, and encouraging greater transparency by local authorities and businesses.
 - C. Information and data: including developing materials databases, product passports and encouraging voluntary corporate reporting.
- 3.6 The England ‘waste from households’ recycling rate was 45.5% in 2019, up 0.9 percentage points from 44.7 in 2018². Since 2000, household recycling rates in England have increased considerably from 11.2% to 45.5% in 2019-20³, while recycling rates in construction have also improved. However, the government recognises the need to continue to make recycling easier and ensure there is a comprehensive, consistent service across England. This will help to reduce confusion with recycling, ensure there is more recycled material in the products we buy and help the UK recycling industry continue to grow.
- 3.7 The Resources and Waste Strategy announced three major reforms to the waste management system in England. Powers in the landmark Environment Act will enable Defra to introduce these policies;
- **Consistency in household and business recycling collections** - this will increase consistency in the materials collected for recycling from households, businesses and other organisations in England. Food and

¹ [Resources and waste strategy for England](#)

² [Statistics on waste managed by local authorities 2019](#), p.2

³ [Statistics on waste managed by local authorities 2019](#)

garden waste must, in any case, always be collected separately from the four dry recyclable waste streams (glass, metal, paper and card, and plastic) for recycling or composting. Impact assessments project, depending on final design choices, municipal recycling rates to increase from a baseline of 44% and reach 60-65% by 2035⁴. This means that the amount of municipal solid waste projected to go to residual treatment, including landfill, is projected to fall in comparison to the baseline by around 4,793,000-4,910,000 tonnes by 2025 and 7,563,000-9,875,000 tonnes by 2035.

- **A deposit return scheme for drinks containers** - this will support increased recycling rates of in scope containers, improvements in the quality of recycled material to encourage closed loop recycling and circulating to ensure materials remain in use for as long as possible and reduce littering of in scope containers. The current recycling rates for in scope containers are around 70% and a well-designed deposit return scheme could achieve recycling rates of 90% or higher in the long term. Impact assessments estimate that, depending on design, there could be around 184,000⁵-380,000⁶ more tonnes of plastic, aluminium and glass waste per year recycled, part of which represents a diversion from landfill. The scheme is due to be introduced in late 2024 at the earliest.
- **Extended producer responsibility for packaging** - this will make businesses responsible for the cost of managing the packaging they place on the market when it becomes waste. It will also encourage businesses to design and use plastic packaging that is easier to recycle and discourage the creation of plastic packaging which is difficult to recycle. Impact assessments estimate that these changes could result in a reduction of waste to landfill of around 100,000 tonnes a year by 2027 and 140,000 tonnes a year by 2032⁷.

3.8 Beyond these reforms, the government will continue to evolve its waste policy over the coming years. The Environment Bill requires the Secretary of State for Environment, Food and Rural Affairs to set long-term, legally-binding environmental targets in four areas, including resource efficiency and waste reduction, by 31 October 2022. These are intended to build on the foundation of existing targets and policies to encourage sustained improvement in the circularity of resources and reduction of waste across the whole resources and waste system, while strengthening and supporting commitments made in other government strategies. Targets currently under consideration are increasing resource productivity and reducing the volume of 'residual' waste we generate.

3.9 In addition to waste policy objectives, the government has an objective to reach net zero carbon emissions by 2050. In 2019, the waste management sector is estimated to have been responsible for around 4% of greenhouse gas emissions in the UK, with the vast majority of these emissions being

⁴ [Consistent municipal recycling collections in England Impact Assessment](#), p. 40

⁵ [Consultation on introducing a Deposit Return Scheme in England, Wales and Northern Ireland](#) Impact Assessment p. 62

⁶ [Consultation on introducing a Deposit Return Scheme in England, Wales and Northern Ireland](#) Impact Assessment P. 35-36

⁷ [Consultation on reforming the UK packaging producer responsibility system](#) Impact Assessment p.48

from landfill sites⁸. There are positive carbon impacts arising from managing waste more effectively and since 1990 emissions from waste management have dropped by 71%⁹.

- 3.10 The primary objective of Landfill Tax is to divert waste from landfill to support waste policy objectives, though the government recognises the consequential impact this can have on emissions. In this context the government set out in the Net Zero Strategy a commitment to explore policies to work towards the near elimination of biodegradable municipal waste to landfill by 2028. To support this the government is bringing forward £295m of capital funding which will allow local authorities in England to prepare to implement free separate food waste collections for all households from 2025.

Devolution

- 3.11 Landfill Tax was devolved to Scotland in 2015 and to Wales in 2018. Both devolved taxes are similar in design and structure to the tax in England and Northern Ireland.
- 3.12 Scottish Landfill Tax is charged to operators of landfill sites in Scotland, and they reflect the costs of the tax in their charges to the local authorities and businesses who dispose of waste at these landfill sites. The tax is administered by Revenue Scotland with support from the Scottish Environment Protection Agency (SEPA) and further information on the tax can be found on Revenue Scotland's website¹⁰.
- 3.13 In Wales, Landfill Disposals Tax replaced Landfill Tax from April 2018. It is administered by the Welsh Revenue Authority with support from Natural Resources Wales and further information can be found on the Welsh Revenue Authority's website¹¹.
- 3.14 Environmental policy is a responsibility of the devolved administrations. Changes in waste policy across the devolved administrations can have implications for landfill and landfill tax elsewhere in the United Kingdom. For example, the Scottish Government has legislated to ban biodegradable municipal waste going to landfill from 31 December 2025. The government intends to share relevant responses to this call for evidence with devolved administrations and is committed to working closely to manage the impacts of any future policy divergence, including of cross-border movements of waste.

Waste Crime

- 3.15 The government recognises that waste crime can not only blight local communities but also reduces Landfill Tax revenue and makes it difficult for legitimate operators to compete in the sector. Waste crime can also cause serious environmental damage as unscrupulous operators at illegal waste

⁸ [2019 UK Greenhouse Gas Emissions, Final Figures](#), p.19

⁹ [2019 UK Greenhouse Gas Emissions, Final Figures](#), p.19

¹⁰ [Scottish Landfill Tax | Revenue Scotland](#)

¹¹ [Landfill Disposals Tax | Welsh Revenue Authority](#)

sites dispose of various materials, such as construction and demolition waste, as well as household and commercial waste. Some of this material can be hazardous, and when not disposed of correctly can lead to cross-contamination of other material and the surrounding area. The Environmental Services Association has estimated that the cost of criminal activity relating to waste management in England was £924 million in 2018-19¹².

- 3.16 Work on the government's overall response to waste crime is led by Defra. In January 2018, Defra consulted¹³ on proposals to tackle crime and poor performance in the waste sector, looking specifically at raising the standard of operator competence at permitted waste sites, reforming the waste permitting exemptions regime to avoid misuse, and introducing a fixed penalty notice for breaches of the household waste duty of care. A response outlining the actions to be taken was published in November 2018 which included raising the standard of operator competence at permitted waste sites and reforming waste exemptions. Defra also introduced fixed penalty notices for breaches of household waste duty of care¹⁴. The Resource and Waste Strategy 2018 set out a range of further actions that the government would take forwards to tackle waste crime, including tightening up waste carrier regulations, tougher penalties for waste criminals and mandating the digital recording of waste.
- 3.17 The Environment Act 2021 builds on these measures and takes steps to crack down on illegal waste activities, including through powers to introduce an electronic waste tracking system and to stop the export of waste, including polluting plastic waste, to developing countries. The measures will also ensure regulators and local authorities can work more effectively to combat waste crime, with better access to evidence, improved powers of entry and the ability to keep fixed penalty notices at an appropriate level.
- 3.18 HMRC can only take action against a liable person where there is an enforceable tax debt. In April 2018, the government extended Landfill Tax to disposals of material at sites operating without the appropriate disposal permit. The policy objective was to deter non-compliance by removing the tax advantage that incentivises this type of illegal activity, and to reinforce the principle of 'the polluter pays'. The government provided funding to HMRC for additional staff to enforce this.
- 3.19 The change also provides HMRC with a means of pursuing and penalising those involved in the evasion of Landfill Tax where they can be identified, alongside any enforcement action by the relevant Environment Agency to tackle the illegal waste activity.
- 3.20 The cross-government response to waste crime was further strengthened through the launch of the Joint Unit for Waste Crime (JUWC) in January 2020. This is the first multi-agency taskforce of its kind to formally bring

¹² [Counting the Cost of waste Crime - ESA Report 2021](#)

¹³ [Consultation on crime and poor performance in the waste sector and introduce a new fixed penalty for the waste duty of care - Defra Consultation 2018](#)

¹⁴ [Consultation on crime and poor performance in the waste sector and introduce a new fixed penalty for the waste duty of care - Government response 2019](#)

together environmental regulators and law enforcement agencies, including HMRC, to tackle serious and organised waste crime.

- 3.21 Since its launch, the JUWC has delivered a significant number of investigations and operations to disrupt illegal activities, whilst also assisting with the sharing of information and intelligence. This joint agency liaison has enabled the Environment Agency to target more offenders, more effectively. For example, an operation was conducted in October 2020 during which JUWC officers undertook a week of action tackling waste and metal crime where over 1,100 vehicles were stopped and 550 sites were visited. Over 150 offences were detected and 29 arrests made.
- 3.22 Tax is not always the most effective policy instrument to tackle a particular issue, and in some cases other policy interventions can be more effective. It would be difficult to fully target waste crime using Landfill Tax alone. The government recognises that waste crime is an important issue and will consider waste crime impacts during this review whilst continuing to focus on using a suite of wider measures to tackle this issue.

Q1: In the context of the government's overall response to waste crime being led by Defra, what more could HMRC do, together with Defra and the Environment Agency, to tackle waste crime?

Q2: Are there any other areas where you think HMRC could work collaboratively with environmental regulators to prevent Landfill Tax avoidance and evasion?

Tax Gap

- 3.23 HMRC publishes an annual estimate of the tax gap. The tax gap is the difference between the amount of tax that should, in theory, be paid to HMRC, and what is actually paid.
- 3.24 In the most recent publication, the tax gap for Landfill Tax was estimated at 22.7% or £200 million¹⁵.
- 3.25 The tax gap includes estimates of under-declared tax (where the quantity of waste is under-declared); misclassification (where standard rated material is declared at the lower rate); and illegally disposed of material at unauthorised waste sites (estimated tonnage for known illegal waste sites).

Tax Policy Process

- 3.26 The government recognises that it is important to continue to keep tax policy under review to consider how taxes can best support the government's objectives alongside other policy interventions. The government uses data and information from various sources to assess on an ongoing basis the performance of Landfill Tax and values the views of and feedback from stakeholders as part of this process.
- 3.27 HMRC has previously commissioned qualitative research, published in 2014, which found that Landfill Tax had been a driver for the fall in demand for

¹⁵ [Measuring tax gaps 2021 edition - tax gap estimates for 2019 to 2020](#)

landfill¹⁶. Further information led to the introduction of the Unauthorised Waste Sites measure to tackle non-compliance with Landfill Tax and wider waste sector regulatory requirements.

3.28 This call for evidence is being conducted in line with the Tax Consultation Framework. There are 5 stages to tax policy development:

Stage 1 Setting out objectives and identifying options.

Stage 2 Determining the best option and developing a framework for implementation including detailed policy design.

Stage 3 Drafting legislation to effect the proposed change.

Stage 4 Implementing and monitoring the change.

Stage 5 Reviewing and evaluating the change.

3.29 This call for evidence is taking place during stage 1 of the process and will inform future policy development. The government will set out its intentions once it has considered the responses received.

¹⁶ [Qualitative research into drivers of diversion from landfill and innovation in the waste management industry - Databuild Research and Solutions](#)

Chapter 4

Landfill Tax and Interactions with Wider Landscape

Overview of Landfill Tax

- 4.1 Landfill Tax is a weight-based tax due on material disposed of at permitted landfill sites in England and Northern Ireland and those sites that should have a permit but do not.
- 4.2 At permitted sites the tax is collected from operators or controllers of a landfill site based upon the weight and type of material. The cost of the tax is borne by waste producers and the waste industry, as well as local authorities disposing of municipal waste.
- 4.3 There are two rates of tax:
 - a standard rate (currently £96.70 per tonne); and
 - a lower rate (currently £3.10 per tonne) for the least polluting material.
- 4.4 Material that qualifies for the lower rate of tax is listed in Schedule to the Landfill Tax (Qualifying Material) Order 2011 (QMO) and the Landfill Tax (Qualifying Fines) Order 2015 (QFO). The conditions for material to be lower rated are set out in sections 4 & 5 of [Excise Notice LFT1: a general guide to Landfill Tax](#).
- 4.5 Where a disposal to landfill consists mainly of materials listed in the Schedule to the QMO but includes a small amount of standard-rated material, the whole load is taxable at the lower rate, provided conditions set out in section 7 of Excise Notice LFT1 are met.
- 4.6 Under the Landfill Tax (Qualifying Fines) Order 2015 (QFO) fines (particles produced by a waste treatment process that involves an element of mechanical treatment) qualify for the lower rate where these are a mixture of fines that consist of materials listed in the Schedule to the QMO and no more than an incidental amount of other material. The conditions for qualifying fines are set out in section 6 of Excise Notice LFT1.
- 4.7 Materials included in the Schedule to the QMO may also be eligible for certain exemptions from Landfill Tax. In the case of the exemption for filling quarries this is because the exemption is specifically limited to such materials. In the case of the exemptions for materials removed from water and for mining and quarrying waste the coverage naturally captures materials within the Schedule. Exemptions from Landfill Tax are set out in detail in section 8 of Excise Notice LFT1.

- 4.8 In certain circumstances, when calculating the taxable weight of the material a discount on the water content is allowed. Methods for calculating the weight of material, including discounting water are set out in section 9 of Excise Notice LFT1.

International comparisons

- 4.9 Alternative structures adopted overseas provide context for alternative approaches to designing taxes on waste disposed of to landfill. Full comparisons of waste taxes in different jurisdictions can be difficult to make, as each has a unique political and policy landscape. For example, some jurisdictions have strong fiscal incentives whereas others rely heavily on regulation to achieve waste policy objectives.
- 4.10 Taxes on waste to landfill are in operation in a number of jurisdictions worldwide including in Australia, New Zealand, Canada and the US. 23 EU Member States have a “landfill tax”, as well as Switzerland¹. The scope of waste taxes and accompanying regulation across the EU varies, and rates range from 5€ per tonne in Lithuania to more than 100€ per tonne in Belgium. Waste policy is complex and evolving, and while improving the circularity of resources is a shared priority amongst a number of jurisdictions, there are a number of policy options across tax, spending and regulation which could be adopted to achieve environmental goals. Factors which may influence government policy choices include geography, economic output, international obligations and political factors.
- 4.11 England and Northern Ireland currently has a dual rate structure, with the level of Landfill Tax due broadly based on the pollutant effect of the waste disposed of; inert materials are broadly subject to the lower rate of Landfill Tax and active materials are broadly subject to the standard rate.
- 4.12 In contrast, some jurisdictions have opted for a single rate of landfill tax, sometimes accompanied by a ban or series of bans on certain types of waste being sent to landfill. For example, Finland has a single rate of landfill tax together with several bans, including on construction and demolition waste being sent to landfill².
- 4.13 Alternatively, some jurisdictions have a multi-rate structure with more than two rates. For example, France levies lower rates of tax on authorised waste disposal sites which have biogas capture and/or biogas recovery technology³. In New Zealand, a review of the effectiveness of the Landfill Levy was

¹ [CEWEP - The Confederation of European Waste-to-Energy Plants](#)

² In Finland, a ban on organic waste has been in force since 2016 (TOC > 10% since 1 January 2020) and a ban on construction and demolition waste entered into force on 1 January 2020. [Landfill-taxes-and-bans-overview.pdf](#)

³ In France, Landfill Tax is levied as follows;

A: 37 EUR on waste to ‘authorised’ landfills with 75% energy recovery from captured biogas

B: 47 EUR on waste to ‘authorised’ bioreactor landfill cells with biogas recovery

C: 30 EUR on landfills which meet criteria in A + B

D: 54 EUR other authorised landfills

E: 152 EUR on waste to non-authorised landfills

[Landfill-taxes-and-bans-overview.pdf](#)

undertaken with one objective being to ‘encourage people and organisations to pursue other (waste disposal) options, such as reuse and recycling’⁴. Following this review, the following Landfill Levy rate structure will be phased in over the coming years:

Item B: rates of Landfill Levy applicable in New Zealand

	Levy rate for period 1 July 2021 to 30 June 2022	Levy rate for period 1 July 2022 to 30 June 2023	Levy rate for period 1 July 2023 to 30 June 2024	Levy rate for period from 1 July 2024
	\$ per tonne ⁵	\$ per tonne	\$ per tonne	\$ per tonne
Construction and demolition fill disposal facility (solid waste) ⁶		20	20	30
Managed or controlled fill facility (inert construction and demolition waste /inert earthworks or site remediation waste) ⁷			10	10
Municipal waste disposal facility	20	30	50	60

Historic rates and quantities of material going to landfill

4.14 Since the introduction of Landfill Tax, the standard rate has increased considerably, initially though a series of escalators. Increases in the lower rate have been far less significant.

⁴ [Reducing waste: a more effective landfill levy - New Zealand Government summary of responses 2020](#)

⁵ At the time of writing, the AUD to GBP exchange rate was \$1:£0.540

⁶ A construction and demolition fill disposal facility means a facility, including a landfill, that accepts for disposal waste that is or includes solid waste from construction and demolition activities, but does not accept household waste, waste from commercial or industrial sources, was from institutional sources (e.g. hospitals, educational facilities) or waste generated from a single industrial process (e.g. steel making, paper making) [Waste Minimisation \(Calculation and Payment of Waste Disposal Levy\) Amendment Regulations 2021 \(LI 2021/68\) – New Zealand Legislation](#)

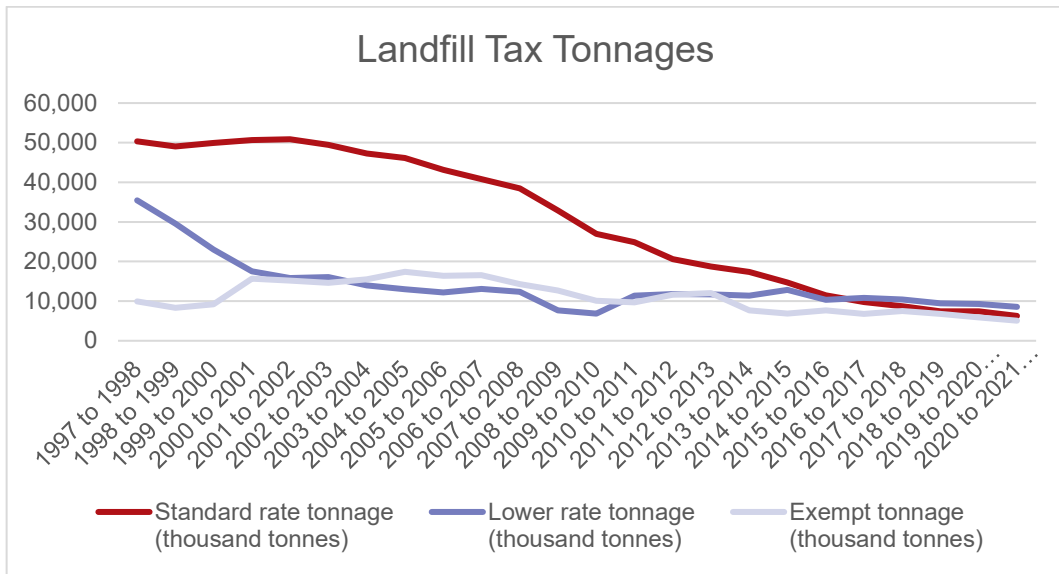
⁷ A managed or controlled fill disposal facility means a facility that accepts inert waste from construction and demolition and/or inert waste from earthworks or site remediation, and does not accept household waste, waste from commercial or industrial sources, waste from institutional sources, waste generated from a single industrial process or waste from construction and demolition activity (except for inert waste) [Waste Minimisation \(Calculation and Payment of Waste Disposal Levy\) Amendment Regulations 2021 \(LI 2021/68\) – New Zealand Legislation](#)

Item C: Landfill Tax rates over time

Date of Change	Standard Rate	Lower rate
	£	£
01 October 1996	7.00	2.00
01 April 1999	10.00	2.00
01 April 2000	11.00	2.00
01 April 2001	12.00	2.00
01 April 2002	13.00	2.00
01 April 2003	14.00	2.00
01 April 2004	15.00	2.00
01 April 2005	18.00	2.00
01 April 2006	21.00	2.00
01 April 2007	24.00	2.00
01 April 2008	32.00	2.50
01 April 2009	40.00	2.50
01 April 2010	48.00	2.50
01 April 2011	56.00	2.50
01 April 2012	64.00	2.50
01 April 2013	72.00	2.50
01 April 2014	80.00	2.50
01 April 2015	82.60	2.60
01 April 2016	84.40	2.65
01 April 2017	86.10	2.70
01 April 2018	88.95	2.80
01 April 2019	91.35	2.90
01 April 2020	94.15	3.00
01 April 2021	96.70	3.10

4.15 The high standard rate of tax has seen the volume of standard rated material fall significantly. There was also a large fall in lower rated volumes in the early years of the tax but the reductions in lower rated and exempt material have been lower in recent years.

Item D: Tonnages of waste disposed of to landfill over time⁸



⁸ [National Statistics table of Landfill Tax waste tonnages](#)

Chapter 5

The Lower Rate of Landfill Tax

- 5.1 The lower rate of tax currently recognises that some materials have lower potential to cause negative environmental impacts. The current criteria for material to be liable to the lower rate of Landfill Tax are set by the government. The government gives these criteria due consideration when deciding which materials are subject to the lower rate, though other factors are also considered. The criteria include:
- **Materials which are non-hazardous** - materials which are not 'hazardous' within the meaning of the revised Waste Framework Directive (2008/98/EC).
 - **Materials with low potential for greenhouse gas emissions** - materials which are not biodegradable, have a low organic content or do not break down under the anaerobic conditions that prevail in landfill sites to produce methane.
 - **Materials with low polluting potential in the environment** – examples include material where the contaminants are unlikely to become mobile in the landfill and any leachate produced has little or no pollution potential and where the pollution potential of the material is reduced if it is deposited alone in landfill sites containing only one type of material or within separate cells of a site.
- 5.2 The current criteria set by the government for considering materials to be included in the lower rate are concerned with the potential for materials to cause environmental harm once at a landfill site. The criteria for inclusion were amended in 2011¹ following a consultation in 2010, which concluded that materials in the lower rate should be based on inert materials set out in the Waste Framework Directive and some non-inert materials, such as ash.
- 5.3 The current criteria for the lower rate do not consider the potential for materials to be moved out of landfill and up the waste hierarchy. The reduction in waste sent to landfill has been much lower for lower rated material than standard rated material since the tax was introduced in 1996. Over the same period of time the standard rate has increased from £7 in 1996-97 to £96.70 in 2021-22, whilst the lower rate has increased by a smaller amount from £2 in 1996-97 to £3.10 in 2021-22. The current tonnage of lower rated waste is higher than the low point of under 7,000 tonnes in 2009-10. As noted in Chapter 3, the Government's ambition is for zero avoidable waste by 2050 and the Resource and Waste Strategy and

¹ [Finance \(No. 3\) Act 2010](#)

aims for by 2035 at least 65% of municipal waste by weight to be recycled, with no more than 10% ending up in landfill.

- 5.4 If the criteria set by the government for considering materials to be included in the lower rate were to change this could result in materials being added as well as removed from the lower rate.

Q3: How do the current criteria for the lower rate of Landfill Tax align with the government's evolving environmental goals?

Q4: Would considering the potential for materials to be moved up the waste hierarchy as a criteria for the lower rate help to align the tax with environmental goals?

Q5: Are there any other considerations which the government should take into account when setting the criteria for considering whether materials should be included in the lower rate?

- 5.5 Waste subject to the lower rate is varied in nature. The Schedule to the Landfill Tax (Qualifying Material) Order 2011 (QMO) lists the eight groups below. The notes to the Schedule set out in more detail what is and what is not included in the lower rate. The Schedule is reproduced in full at Annex A.

1. Rocks and soil, where these are naturally occurring
2. Ceramic and concrete materials
3. Minerals, which have been processed or prepared
4. Furnace slags
5. Ash
6. Low activity organic compounds
7. Calcium sulphate, disposed of in landfills for non-hazardous waste in a cell where no biodegradable waste is accepted
8. Calcium hydroxide and brine, deposited in a brine cavity

- 5.6 In total around 9 million tonnes of lowered rated material was recorded as going to landfill in 2019-20. A broad sense of the amount of material in each group going to landfill is apparent from the information available². Group 1 represents the bulk of lower rated material sent to landfill, with more than a half of this qualifying for exemption. Materials in this group are also a principal component of qualifying fines, which can also be assumed to represent a significant proportion of the total. The majority of this Group 1 material is soil and stones, mostly excavation waste from construction work. The other groups each represent considerably less than a million tonnes per annum, with Group 2 (ceramic or concrete materials) and Group 5 (ash) seeming to be the next most common by volume. The remaining groups are less significant as a proportion of the amount of lower rated material going to landfill, though not necessarily negligible.

- 5.7 HMRC do not collect data on the amount of lower rate material in each group in the Schedule which is disposed of to landfill. These amounts can to an extent be inferred from Environment Agency data, but List of Waste (LoW) codes do not map neatly onto the groups of the Schedule. In some

² [2020 Waste Data Interrogator](#)

cases, LoW codes may capture material from more than one group. In other cases, LoW codes capture both lower and standard rated material. For instance, all qualifying fines fall within code 191212, but not all material in code 191212 is qualifying fines. Similarly, code 010102 (wastes from mineral non-metalliferous excavation) can encompass materials as diverse as slate (group 1), calcium carbonate (group 6), brine (group 8) and other, non-qualifying, materials.

- 5.8 Furthermore, as explained in Chapter 6, HMRC do not hold complete data on the amount of lower rated material on which exemption has been claimed. Within Environment Agency data there is also material recorded as being sent to landfill which is outside the scope of Landfill Tax. HMRC continues to work with partners, including the Environment Agency, to gather information in this area.
- 5.9 The government recognises that it is important to consider and assess these different types of waste individually. Waste can be highly varied and the factors resulting in decisions to landfill waste or manage in an alternative way can vary along with this. The government wants to understand more about these factors for different waste streams to ensure that any changes required to ensure the tax continues to support environmental objectives are not disproportionate. The government's ambitions with waste management include the weight of materials going to landfill and other treatment methods. Given this, as part of responses to this Call for Evidence the government would welcome information on the scale of potential changes in waste material in landfill.
- 5.10 In the case of each of the groups currently included in the Schedule to the QMO the government would welcome views on the following questions. Please answer in relation to the groups for which you have relevant knowledge and expertise.

Q6: For each group of materials in the QMO;

- **Is there scope for materials to be moved up the waste hierarchy?**
- **Is eligibility for the lower rate acting as a barrier to these materials being moved up the waste hierarchy?**
- **If current barriers are reduced what scale of material could be diverted from landfill and what would remain?**

Chapter 6

Exemptions

- 6.1 Operators of landfill sites who do not make any taxable disposals do not need to register for Landfill Tax or submit returns. Where the operator makes both taxable and non-taxable disposals the amount of exempt material is recorded on returns, but not the exemption claimed. HMRC therefore only hold partial information in respect of both the quantities of exempt material going to landfill and does not have disaggregated quantities for each exemption. As with the disposal of other materials to landfill, HMRC continues to work with partners, including the Environment Agency, to gather information in this area.
- 6.2 We are not seeking views on the pet cemeteries exemption in this call for evidence, however as with all tax policy the government intends to keep this exemption under review.

Filling of quarries

- 6.3 Lower rated material which is used for the purposes of filling existing quarries or former quarries which ceased operation on or after 1 October 1999 qualifies for exemption where there is planning consent in place to fill or partially fill the quarry, and the permit only authorises the disposal of qualifying material. The exemption was originally intended to address the difficulties quarry owners had in competing for material with similar sites, which were exempt from permitting requirements.
- 6.4 Significant quantities of material in Group 1 of the QMO, mostly from excavation, is disposed of under this exemption. Since landfill operators who do not make taxable disposals are not required to register and submit returns, the exact quantities are not known. More widely than data collected for the tax, it is estimated that around 11 million tonnes of waste was used in 'backfilling' in England in 2018¹.

Q7: Does the exemption for filling quarries act as a barrier to excavation material being moved up the waste hierarchy?

Q8: Are there other factors which should be taken into account in assessing this exemption?

¹ [UK statistics on waste](#), Table 5.3 'Total waste sent to final treatment, split by method of treatment and EWC-STAT waste material, 2010-18, England'

Mining and quarrying materials

- 6.5 Material arising from mining and quarrying operations and disposed of at an authorised landfill site is exempt from Landfill Tax. The exemption ensures that this waste stream (which is typically returned to the point of extraction) does not get caught by the scope of Landfill Tax and have a distortive effect on these industries.
- 6.6 To qualify for exemption the material must be naturally occurring in the course of a commercial mining or quarrying operation, have the same chemical composition as it had when it was in the ground, and not be produced from the working of the extracted material or any other process separate from the mining/quarrying operation. Where a quarry is registered as a landfill site and meets the conditions for the exemption for filling quarries, the disposal of material arising at and disposed of at that site will be covered by the exemption. This exemption is only relevant when material is removed from the originating site for disposal at a landfill site, or when material is returned to the originating site and this is permitted as a landfill site but does not qualify for the quarry exemption.
- 6.7 Landfill Tax returns do not collect this data and it is not available from other sources, and so HMRC do not hold information on the type or amount of material on which this exemption is claimed.

Q9: Material from what type of mining or quarrying operation benefits from the exemption for materials from this activity, and what sort of quantities are involved?

Q10: Does the exemption for mining and quarrying materials act as a barrier to these being moved up the waste hierarchy?

Dredgings – material removed from water

- 6.8 Material removed from inland waterways and harbours that is disposed of at an authorised landfill site is exempt from Landfill Tax, where it has been removed from the bed of the water (including the banks of canals and rivers) by dredging or a similar process. This exemption is in place as the removal of accumulated sediment from inland waterways helps keep them clear and fulfils an important flood prevention function. During 2020, around 1.3 million tonnes of dredged material was disposed of at landfill in England².
- 6.9 Material sent to landfill must be sufficiently dry so as to ensure that it does not leach into the surrounding area. In 2007 the government extended the scope of the exemption to cover dredged material that has been treated with additives so that it is no longer a liquid waste. To qualify for the exemption, the additive used must have dehydrating properties or bind the excess moisture content within the dredged material, to produce a material that is not liquid. The current legislation does not stipulate what types of additive material may be used, or how much.

² Based on relevant LoW codes extracted from the Environment Agency 2020 Waste Data Interrogator: [2020 Waste Data Interrogator - data.gov.uk](https://data.gov.uk)

6.10 The Welsh Government, when launching their Landfill Disposals Tax in 2018 following devolution of the Landfill Tax to the Welsh Assembly, restricted their material removed from water relief to allow for only qualifying material to be added to the dredged waste for the purposes of ensuring it is not in liquid format. The relief also limits the amount of material added to the dredging to no greater than is necessary to achieve its purpose of ensuring it is not in liquid form.

Q11: Do you have any details of the types and amounts of other materials that are currently being added to dredged waste?

Q12: Does this exemption act as a disincentive to the moving dredged material up the waste hierarchy?

Q13: If the materials on which exemption could be claimed when added to dredged waste were to be limited to those listed in the Schedule to the QMO, which of these would have the necessary dehydrating properties and are they available in the required quantities?

Chapter 7

Discounting Water

- 7.1 A discount can be applied to the water content of material when calculating the taxable weight.
- 7.2 This applies where water
- (i) has been added to allow transportation for disposal, or
 - (ii) has been used for the extraction of minerals, or
 - (iii) has arisen or been added in the course of a recycling or other industrial process,
- and this added water remains present in the residue sent to landfill. The added water must constitute at least 25% of the weight of the material. The discount does not apply to water that is naturally present in the material or is present because of rain or snow, or which has been added to material to damp it down to prevent it blowing away.
- 7.3 The discount also applies to residue from the treatment of effluent or sewage by water treatment works. No discount is allowed on water that is present naturally. Any water removed prior to disposal is assumed to have been water which was added.
- 7.4 Waste producers may propose schemes to quantify the water content of material based, for example, on production records. This typically involves establishing both the percentage water content of the material prior to any water being added, and the percentage water content of the residue sent to landfill, and then deducting the former from the latter to establish the percentage discount due. Such schemes require the prior agreement of the landfill site operator. If HMRC are satisfied that the application qualifies for a scheme for discounting water, written approval is sent to the landfill site operator and the waste producer.
- 7.5 Investment in equipment using water can increase the amount of recyclable material obtained from waste, but there is also a concern that in some industries the availability of water discounting could mean that it is cheaper to send material to landfill than to maximise recovery.
- 7.6 There is also a risk that the percentage of added water may be being deliberately exaggerated in proposals submitted by some waste producers, resulting in a fraudulent evasion of Landfill Tax. Landfill site operators have complained that where they express concerns this results in waste producers taking their custom elsewhere.

Q14: Are there circumstances in which water discounting can act as a disincentive to maximising the recovery of materials?

Q15: What changes could be made to ensure that water discounts accurately reflect the added water content of waste?

Chapter 8

Other Impacts

8.1 The government wants to consider any other unintended impacts on others, whether individual consumers, local authorities or others. The government will continue to consider impacts for groups with protected characteristics under the 'Equality Act 2010'¹ and the implications of any changes on waste crime during the policy development process.

Q16: Unless already covered in your responses to other questions within this document, is there anything else you would like us to note about the current impact of the tax or any changes to it?

Q17: Unless already covered in your responses to other questions within this document, is there any other information the government should consider as part of its wider evaluation and monitoring of the impacts of the tax?

Q18: Are there any potentially adverse impacts on groups with protected characteristic?

¹ Age, disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

Annex A

Groups of materials in the Qualifying Materials Order (QMO)

Group	Description of material	Conditions	Notes
1	Rocks and soils	Naturally occurring	<p>Group 1 comprises only</p> <ul style="list-style-type: none"> i. rock ii. clay iii. sand iv. gravel v. sandstone vi. limestone vii. crushed stone viii. china clay ix. construction stone x. stone from the demolition of buildings or structures xi. slate xii. sub-soil xiii. silt xiv. dredgings
2	Ceramic or concrete materials		<p>Group 2 comprises only</p> <ul style="list-style-type: none"> i. glass, including fritted enamel ii. ceramics, including bricks, bricks and mortar, tiles, clay ware, pottery, china and refractories iii. concrete, including reinforced concrete, concrete blocks, breeze blocks and aircrete blocks <p>Group 2 does not include</p> <ul style="list-style-type: none"> i. glass fibre and glass-reinforced plastic, and ii. concrete plant washings

3	Minerals	Processed or prepared	<p>Group 3 comprises only</p> <ul style="list-style-type: none"> i. moulding sands, including used foundry sand ii. clays, including moulding clays and clay absorbents (including Fuller's earth and bentonite) iii. mineral absorbents iv. man-made mineral fibres, including glass fibres v. silica vi. mica vii. mineral abrasives <p>Group 3 does not include</p> <ul style="list-style-type: none"> i. moulding sands containing organic binders ii. man-made mineral fibres made from glass-reinforced plastic and asbestos
4	Furnace slags		<p>Group 4 comprises only</p> <ul style="list-style-type: none"> i. vitrified wastes and residues from thermal processing of minerals where, in either case, the residue is both fused and insoluble, and ii. slag from waste incineration
5	Ash		<p>Group 5 comprises only</p> <ul style="list-style-type: none"> i. bottom ash and fly ash from wood or waste combustion and ii. bottom ash and fly ash from coal or petroleum coke combustion (including when burnt together with biomass) <p>Group 5 does not include fly ash from sewage sludge, municipal, clinical and hazardous waste incinerators</p>
6	Low activity inorganic compounds		<p>Group 6 comprises only</p> <ul style="list-style-type: none"> i. calcium based reaction wastes from titanium dioxide production ii. calcium carbonate iii. magnesium carbonate iv. magnesium oxide v. magnesium hydroxide

			<ul style="list-style-type: none"> vi. iron oxide vii. ferric hydroxide viii. aluminium oxide ix. aluminium hydroxide x. zirconium dioxide
7	Calcium sulphate	Disposed of in landfills for non-hazardous waste in a cell where no biodegradable waste is accepted	<p>Group 7 comprises only</p> <ul style="list-style-type: none"> i. calcium sulphate ii. gypsum iii. calcium sulphate based plasters <p>Group 7 does not include plasterboard</p>
8	Calcium hydroxide and brine	Deposited in brine cavity	

HM Treasury contacts

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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