

Order made by the Treasury and laid before the House of Commons under section 71(4) and (7) of the Finance Act 1996, for approval by resolution of the House of Commons within twenty eight days beginning with the day on which the Order was made, subject to extension for periods of dissolution, prorogation or adjournment for more than four days.

STATUTORY INSTRUMENTS

2018 No. xxxx

LANDFILL TAX, ENGLAND AND WALES

LANDFILL TAX, NORTHERN IRELAND

The Landfill Tax (Disposals of Material) Order 2018

Made - - - - - ***

Laid before the House of Commons ***

Coming into force - - - - - *1st April 2018*

The Treasury, in exercise of the powers conferred by sections 40A(5), (6), (7) and (8) and of the Finance Act 1996(a), makes the following Order:

Citation, commencement, definition and effect

1.—(1) This Order may be cited as the Landfill Tax (Disposals of Material) Order 2018 and comes into force on 1st April 2018.

(2) Article 2 has effect in relation to the disposal of material(b) (including material treated as disposed of under this Order) at a landfill site(c) when that disposal is made or treated as made on or after 1st April 2018.

(3) Article 3 has effect in relation to the disposal of material made or treated as made on or after 1st April 2018.

(4) In this Order, “FA 1996” means the Finance Act 1996.

(a) 1996 c. 8. Section 40A of the Finance Act 1996 was inserted by [section [42] of, and Schedule [12] to, the Finance Act 2018.] Under section 71(1) of the Finance Act 1996, any power to make an Order under Part 3 of that Act (apart from under section 57) shall be exercisable by the Treasury. Section 40 of the Finance Act 1996 was amended by the Scotland Act 2012 (c. 11), section 31, with effect from 1st April 2015 by virtue of S.I. 2015/638 (C. 35). Section 40 is also amended by section 19 of the Wales Act 2014 (c. 29) with effect from 1st April 2018 by virtue of S.I. [ADO]. Those amendments have the effect that, from 1st April 2018, landfill tax is only chargeable in respect of taxable disposals made in England or Northern Ireland.

(b) “Material” is defined by section 70(1) of the Finance Act 1996.

(c) “Landfill site” is defined by section by section 70(1) of the Finance Act 1996 (as amended by paragraph [14(2)] of Schedule [12] to the Finance Act 2018).

Disposals of material at landfill sites

2.—(1) Material to which paragraph (2) or (4) applies is to be treated as disposed of for the purposes of Part 3 of FA 1996 where it would not otherwise be so treated.

(2) This paragraph applies to all material placed in a landfill cell except material described in paragraph (3).

(3) Paragraph (2) does not apply to—

- (a) material that forms a layer which performs the function of drainage at the base of a landfill cell;
- (b) material that forms the impermeable layer that delimits the landfill cell;
- (c) a pipe, pump or associated infrastructure inserted into a landfill cell for the purposes of the extraction or control of surplus liquid or gas from or within that cell;
- (d) material used for restoration of a landfill cell that only contains inert material; or
- (e) material placed in an information area within the meaning given by regulation 16A(1) of the Landfill Tax Regulations 1996(a).

(4) This paragraph applies to all material placed on or under a landfill site, but outside a landfill cell, and used to create or maintain—

- (a) a temporary haul road that gives access to a landfill cell;
- (b) a temporary base on which sorting, treatment, processing, storage, recycling or any similar activity is carried out; or
- (c) a temporary structure (whether below or above ground) put in place to protect or conceal any activity or to reduce nuisance from noise, except where the material so used is naturally occurring material extracted from the landfill site in which the structure is located.

(5) In this article—

“impermeable layer” means any layer, liner, seal or cap that seeks to prevent the transmission of liquids or gasses;

“landfill cell” means a unit or structure in which material is placed that is delimited by an impermeable layer along its base and sides and, save where the cell only contains inert material, at the top of the unit or structure;

“relevant instrument” is a permit or licence referred to in section 40(4) FA 1996(b) or a planning consent in respect of the land in or on which a landfill cell is situated;

“restoration” means work that is required by a relevant instrument to be carried out to restore a landfill site to use once the disposal of material in it has been concluded.

Disposals of prohibited material

3.—(1) A prohibited disposal is to be treated as a disposal falling within section 40(2)(b) of FA 1996(c).

(2) The following enactments are prescribed for the purpose of the definition of “prohibited disposal”—

- (a) In England, paragraph 5(1)(b) of Schedule 10 to the Environmental Permitting (England and Wales) Regulations 2016(d);
- (b) In Northern Ireland, regulation 9 of the Landfill Regulations (Northern Ireland) 2003(a).

(a) S.I. 1996/1527, inserted by S.I. 2009/1930. [These Regulations are further amended by S.I. 2018/xxxx.]

(b) As inserted by paragraph [2] of Schedule [12] to the Finance Act 2018.

(c) “Prohibited disposal” is defined in section 40A(7) of the Finance Act 1996, inserted by paragraph [3] of Schedule [12] to the Finance Act 2018.

(d) S.I. 2016/1154. By virtue of which a regulator is required to exclude a disposal from the scope of an environmental permit.

Date *Name*
Name
Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order gives effect to certain exemptions to Landfill Tax under amendments made to the Finance Act 1996 (c. 8) by section [42] of, and Schedule [12] to, the Finance Act 2018.

First, these measures implement a revised system for determining what is a 'taxable disposal' for the purposes of landfill tax. This Order provides for certain material to be treated as disposed of at a landfill site (meaning a site for which an environmental permit or licence subsists).

Secondly, the Order makes provision ancillary to the extension of Landfill Tax by the Finance Act 2018 to disposals at a place other than a permitted or licensed landfill site. It provides that the disposal of certain types of material is taxed as if that disposal took place at a place other than a landfill site when such disposal cannot be permitted or licensed under environmental legislation.

A Tax Information and Impact Note covering this instrument was published on [xx] December 2017 and is available on the gov.uk website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>. It remains an accurate summary of the impacts that apply to this instrument.

(a) S.R. (NI) 2003 No 496, amended by S.R. (NI) 2004 No 297, S.R. (NI) 2013 No 161. This regulation lists descriptions of material, the disposal of which is prohibited. There are other amending instruments, but none is relevant.