

Finance Committee Report: The Landfill Disposals Tax (Tax Rates) (Wales) (Amendment) Regulations 2021

January 2022

1. The Finance Committee (the Committee) took evidence from the Minister for Finance and Local Government on 21 January 2022.
2. This Statutory Instrument was considered by the Committee under Standing Order 27.8A.

Background and Purpose

3. These Regulations amend the standard rate, lower rate and unauthorised disposals rate for landfill disposals tax which will apply to taxable disposals made on or after 1 April 2022 in Wales.
4. The rates from 1 April 2022 are as follows:
 - The standard rate is **£98.60** per tonne (increased from £96.70 per tonne)
 - The lower rate is **£3.15** per tonne (increased from £3.10 per tonne)
 - The unauthorised disposals rate is **£147.90** per tonne (increased from £145.05 per tonne).
5. Taxable disposals made on or after 1 April 2021 but before 1 April 2022 will remain subject to rates set by the Landfill Disposals Tax (Tax Rates) (Wales) (Amendment) (No. 2) Regulations 2020.

Procedure

6. Made Affirmative.
7. The Regulations were made by the Welsh Ministers before they were laid before the Senedd. The Senedd must approve the Regulations within 28 days



(excluding any days when the Senedd is dissolved or in recess for more than four days) of the date they were made for them to continue to have effect.

Merits Scrutiny

8. One point is identified for reporting in respect of this instrument.
 1. Section 25 of the Tax Collection and Management (Wales) Act 2016 provides that the Welsh Revenue Authority must pay amounts collected in the exercise of its functions into the Welsh Consolidated Fund. These Regulations prescribe the three rates of landfill disposals tax in Wales.

Policy objectives

9. The written statement dated 20 December 2021 by the Minister for Finance and Local Government (the Minister) states:

“From 1 April 2022, I intend to raise Landfill Disposal Tax rates in line with forecast inflation (RPI measure). This is consistent with the UK landfill tax rates for 2022-23, to support the policy objective of reducing waste disposed of at landfill, and to help meet our goal of becoming a zero waste nation.”

10. The proposed standard and lower rates of landfill disposal tax are consistent with UK landfill tax rates. The Explanatory Memorandum to these regulations explains that this is to provide stability and certainty to those stakeholders impacted by the tax.¹ The Minister explained in her written statement referenced above:

“By setting rates that are consistent with UK landfill tax, public services in Wales will continue to benefit from the tax revenue, while ensuring the risk of the movement of waste across borders is reduced.”

11. The unauthorised disposals rate is set higher than the standard rate (standard rate + 150%), creating an additional financial deterrent for people seeking to avoid their environmental obligations and dispose of waste illegally.²

Government response

12. The Welsh Government noted the report. No response was provided.

¹ Explanatory Memorandum, para 4.18

² Explanatory Memorandum, para 4.18

Committee view

13. The Committee noted the Regulations.