

Finance Committee

The Landfill Disposals Tax (Tax Rates) (Wales) Regulations 2018

This Statutory Instrument is being considered by the Finance Committee under Standing Order 27.8A.

Background and Purpose

01. These Regulations specify the first standard rate, lower rate and unauthorised disposals rate for landfill disposals tax. The rates will apply to a taxable disposal made on or after 1 April 2018. Part 2 of the Landfill Disposals Tax (Wales) Act 2017 (“the Act”) sets out what constitutes a taxable disposal.
02. The standard rate is to be £88.95, the lower rate is to be £2.80 and the unauthorised disposals rate is to be £133.45.
03. Following the setting of the tax rates in these Regulations, the Welsh Ministers will have the power to change future rates in respect of landfill disposals tax with immediate effect, using the provisional affirmative procedure provided for in section 95 the Act.

Procedure

04. Affirmative resolution.

Merits Scrutiny

05. No points are identified for reporting under Standing Order 21.3.

Policy objectives

Statement of policy intent

06. To support the Committee’s scrutiny of the Landfill Disposals Tax (Wales) Bill (the Bill), the Welsh Government provided information on the policy intent for the delegated powers within the Bill.
07. The regulation tabled **is in accordance** with related policies in the statement.



08. It stated that section 14(3) of the Bill noted “the Welsh Ministers may, by regulations set the standard rate of tax” with section 14(6) enabling the Welsh Ministers to set “the lower rate of tax” and section 45(4) “the unauthorised disposals rate of tax.”

Finance Committee Stage 1 scrutiny

09. In its report the Committee recommended there should be further detail on the face of the Bill, including the proposed rates of taxation, or as a minimum the proposed rates **should be published** before 1st October 2017.

10. In terms of LDT rates, comments made by stakeholders related to the need for **rates to remain similar** to the UK Landfill Tax (LFT) to minimise ‘waste tourism’.

Consultation responses

Assembly consultation

11. The majority of respondents noted the need for LDT rates to be set at a level which will **effectively deter** ‘waste tourism’.

Welsh Government consultation

12. The majority of respondents commented that it was important to **maintain consistency** with LFT rates to avoid ‘waste tourism’ and minimise the risk of cross-border transportation of waste.

Scottish Regulations

13. The Scottish Landfill Tax (SLfT) **does not include** an unauthorised disposals rate. However, SLfT does **apply** to disposals made on land that is not an unauthorised landfill site (i.e. an unauthorised site). The Scottish Government prescribes SLfT rates in an Order. The 2017–18 rates were contained in the Scottish Landfill Tax (Standard and Lower Rate) Order 2017.

UK Regulations

14. LfT **does not include** an unauthorised disposals rate. Both the standard and lower rates from 1 April 2018 have been amended by the Finance Act 2016, which correspond to the equivalent LDT rates for 2018–19.



Government Response

15. The Welsh Government thank the Chair of the Finance Committee for their report and note the point raised on the unauthorised tax rate.

Committee View

16. The Committee noted the Regulations.

