

LANDFILL DISPOSALS TAX (WALES) ACT 2017

EXPLANATORY NOTES

GENERAL OVERVIEW OF THE ACT

10. The Act comprises ninety eight sections and four Schedules and is divided into six Parts as follows:

Part 1 – Overview

This Part sets out how the Act is structured.

Part 2 – The Tax and Taxable Disposals

This Part establishes LDT and sets out the fundamental concepts that underpin the operation of the tax.

Part 3 – Taxable Disposals Made at Authorised Landfill Sites

This Part sets out who is liable to pay tax on a taxable disposal made at an authorised landfill site; how the amount of tax will be calculated ; the two tax rates that may apply to a disposal of this kind (the standard rate and the lower rate); the reliefs from tax that may be claimed; the registration and accounting procedures; the payment requirements; and provisions for the recovery of tax. This Part also introduces Schedule 1, which sets out which materials may qualify for the lower rate of tax and any related conditions that those materials must meet; Schedule 2, which sets out the contents of the register of landfill site operators; and Schedule 3, which sets out the contents of a landfill invoice.

Part 4 – Taxable Disposals Made at Places Other than Authorised Landfill Sites

This Part provides that a disposal can also be subject to LDT if it is made at a place other than an authorised landfill site and is a disposal for which an environmental permit is required. A disposal of this kind is referred to as an “unauthorised disposal”. This Part sets out who may be liable to tax on unauthorised disposals; how tax liability will be notified; the tax rate that will apply to a disposal of this kind (the unauthorised disposals rate); and the payment requirements. It also makes provision to require late payment interest to be paid on unpaid tax.

Part 5 –Supplementary Provision

This Part makes supplementary provision connected with the tax. This provision includes a power to provide for tax credits, provision for the creation and regulation of non-disposal areas within an authorised landfill site, provision for additional inspection powers, and provision about information sharing and penalties. This Part sets out how the Act’s provisions will apply in special cases, such as those in which authorised landfill sites are operated by corporate groups or partnerships. This Part requires the Welsh Ministers to have regard to the objective of reducing landfill disposals in Wales when exercising functions under the Act and requires the Welsh Ministers to prepare and publish a Landfill Disposals Tax Communities Scheme. This Part also introduces Schedule 4 which sets out the amendments that this Act makes to TCMA.

*These notes refer to the Landfill Disposals Tax (Wales) Act
2017 (c.3) which received Royal Assent on 7 September 2017*

Part 6 – Final Provisions

This Part contains provisions on subordinate legislation procedures, transitional, consequential etc. powers, commencement, interpretation and other final and ancillary provisions.