

*These notes refer to the Finance Act 2015 (c.11)
which received Royal Assent on 26 March 2015*

FINANCE ACT 2015

EXPLANATORY NOTES

INTRODUCTION

Section 64: Landfill Tax: Rates from 1 April 2016

Background Note

4. Landfill tax was introduced on 1 October 1996 to increase the cost of disposing of waste by landfill and thereby encourage waste producers and the waste management industry to switch to more sustainable alternatives for disposing of waste. There is a lower rate of tax, which applies to less polluting qualifying wastes listed in secondary legislation, and a standard rate which applies to all other taxable waste disposed of at authorised landfill sites.
5. In the June 2010 Budget, the government confirmed that the standard rate of landfill tax would rise by £8 per tonne on 1 April each year up to and including 2014. The government also announced a floor under the standard rate of landfill tax so that the rate will not fall below £80 per tonne from 2014-15 to 2019-20.
6. Budget 2014 clarified that the floor of £80 per tonne in the standard rate should be interpreted in real terms and announced that the lower rate will, in future, also increase each year in line with the RPI, rounded to the nearest 5 pence. This means that, on 1 April 2015, the standard rate will increase to £82.60 per tonne and the lower rate to £2.60 per tonne as a result of changes made by Finance Act 2014.
7. The changes in this section will apply in England, Wales and Northern Ireland only because, as a result of devolution, landfill tax will not apply in Scotland from 1 April 2015.