

LANDFILL DISPOSALS TAX (WALES) ACT 2017

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5 - Supplementary Provision

Chapter 1 – Tax Credits

Section 54 – Power to make provision for tax credits

98. *Section 54* gives the Welsh Ministers the power to make regulations setting out circumstances in which a person will be entitled to a tax credit in relation to LDT, subject to any specified conditions and procedures being met and followed.
99. It is envisaged that this power will be used, for example, to establish an entitlement to credit in situations where a landfill site operator:
- has properly invoiced a customer in relation to a taxable disposal that has been made;
 - has meanwhile accounted for and paid LDT on that disposal to WRA; and
 - has then discovered that the customer has become insolvent and that the debt cannot be recovered.
100. In the example outlined above, regulations might set out the conditions that the landfill site operator would be required to meet in order to be eligible to apply for a credit, including details of the records or supporting evidence needed. Further, the regulations might explain how the landfill site operator would go about claiming the credit: this might be through deducting the amount from the overall tax owed in an existing or future LDT return.
101. Regulations may also set out the circumstances in which WRA may refuse a claim for a tax credit and the way in which a person can challenge a decision taken by WRA about a tax credit. Regulations can set penalties that could apply if a credit were claimed contrary to the requirements set out in the regulations.