

POLICY NOTE

THE SCOTTISH LANDFILL TAX (STANDARD RATE AND LOWER RATE) ORDER 2023

SSI 2023/50

The instrument above was made in exercise of the powers conferred by section 13(2) and (5) of the Landfill Tax (Scotland) Act 2014 (LT(S)A 2014). The making of this Order is subject to the provisional affirmative procedure.

Purpose of the instrument.

This instrument provides for the annual increase in Scottish Landfill Tax rates. It specifies the standard rate and lower rate for disposals on or after 1 April 2023, as announced in the Scottish Budget 2023-24.

Policy Objectives:

The LT(S)A 2014 provides for a Scottish Landfill Tax (SLfT), which took effect on 1st April 2015. Sections 13(2) and (5) of the LT(S)A 2014 provide a power allowing the rates of tax to be set.

Scottish Landfill Tax is chargeable by weight. This instrument provides that the standard and lower rates will be increased from 1st April 2023, so that:

- The standard rate is £102.10 per tonne, and
- The lower rate is £3.25 per tonne

A list of materials qualifying for the lower rate and the conditions which have to be met are provided for in the Scottish Landfill Tax (Qualifying Materials) Order 2016.

The Scottish Government considers that these rates will provide appropriate financial incentives to support the policy aim of reducing the amount of material sent to landfill and supporting a more circular economy. The increase will mean that rates and bands remain consistent with those in place in the rest of the UK, addressing the risk of waste tourism.

Consultation:

There is no statutory requirement to consult on this Order. The Scottish Government's proposed SLfT rates from 1st April 2023 were published in the Scottish Budget 2023-24¹

Impact Assessments:

Equal opportunities - This Order does not unlawfully discriminate in any way with respect to any of the protected characteristics (including age, disability, gender reassignment, marriage

¹ Scottish Government Budget 2023 – 2024 published 15 December 2022, available at: <https://www.gov.scot/publications/scottish-budget-2023-24/>

and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) either directly or indirectly.

Human rights – This Order does not infringe on or affect any subject areas of the European Convention on Human Rights (ECHR). We have not identified differential impact on human rights nor any impact on any individual’s civil liberties.

Privacy impacts – No privacy impacts resulting from this legislation have been identified.

Island communities – No new impacts have been identified in relation to the provisions of this Order.

Local government – There will not be any additional administrative or compliance burdens specifically affecting local government beyond those duties local authorities are already subject to under the LBTT legislation.

Sustainable development – The Order will have no impact on sustainable development.

A Business and Regulatory Impact Assessment (“BRIA”)² was published looking at different rates and bands associated with the LT(S)A 2014.

An Equality Impact Assessment (“EQIA”)³ on landfill tax was also published previously in December 2014 and landfill tax rates and bands orders will have no negative impact on equality issues.

A strategic environmental screening exercise⁴ was also conducted, which concluded that LT(S)A 2014 Scottish Statutory instruments raising landfill tax rates will have no negative impact on the environment.

Financial Implications

The Scottish Fiscal Commission estimates (December 2022) that Scottish Landfill Tax will generate revenue of £79 million in 2023-2024, which is a full-year estimate. This forecast⁵ has been independently produced by the Scottish Fiscal Commission.

Scottish Government
Tax and Revenue Directorate
February 2023

² ‘Scottish Landfill Tax Final Business and Regulatory Impact Assessment’, published 14 December 2014, available from: <http://www.scotland.gov.uk/Publications/2014/12/6274>

³ ‘Scottish Landfill Tax – Equality Impact Assessment Results’, published 17 December 2014, available from: <http://www.scotland.gov.uk/Publications/2014/12/7976>

⁴ Scottish Government, ‘Scottish Environmental Screening Exercise results’, available from: <https://www.strategicenvironmentalassessment.gov.scot/seagDocs/seagDocs/SEA-00734/13093.pdf>

⁵ Scottish Fiscal Commission, ‘Scotland’s Economic and Fiscal Forecasts’, published 15 December 2022, available from <https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-december-2022/>