

FINANCE ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Section 18: Standard Rate of Landfill Tax

Summary

1. [Section 18](#) increases the standard rate of landfill tax from £40 per tonne to £48 per tonne for disposals of waste made at authorised landfill sites on or after 1 April 2010.

Details of the Section

2. Subsection (1) amends section 42 of the Finance Act 1996 to increase the standard rate of landfill tax to £48 per tonne.
3. Subsection (2) provides for the increase to apply to disposals of relevant waste made, or treated as made, on or after 1 April 2010.

Background Note

4. Landfill tax was introduced on 1 October 1996 to encourage waste producers and the waste management industry to switch to more sustainable alternatives to landfilling waste. The tax applies to active and inactive waste, disposed of at authorised landfill sites. Active waste attracts the standard rate of tax, while inactive waste is subject to a lower rate.
5. The standard rate is currently £40 per tonne, which came into effect on 1 April 2009 as a result of a change made by Finance Act 2008. Budget 2007 announced that the rate would increase to £48 per tonne from 1 April 2010 – this section deals with that announcement. The Government announced on 22 April 2009 that the standard rate will continue to increase by £8 per tonne on 1 April each year from 2011 to 2013. These increases aim to encourage greater diversion of waste from landfill to more sustainable waste management options.
6. The lower rate, which applies to inert or inactive waste, is currently £2.50 per tonne. The Government announced on 22 April 2009 that the rate will not increase in 2010-11.