

# FINANCE ACT 2010

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## EXPLANATORY NOTES

### INTRODUCTION

#### *Section 16: Rate of Aggregates Levy*

##### Summary

1. [Section 16](#) increases the rate of aggregates levy from £2.00 per tonne to £2.10 per tonne for aggregate subjected to commercial exploitation on or after 1 April 2011.

##### Details of the Section

2. Subsection (1) substitutes “£2.10” for “£2.00” in section 16(4) of the Finance Act (FA) 2001.
3. Subsection (2) provides for the amendments made by subsection (1) to have effect in relation to aggregate subjected to commercial exploitation on or after 1 April 2011.

##### Background Note

4. Aggregates levy came into effect on 1 April 2002. It is designed to bring about environmental benefits by making the price of commercially exploiting aggregates (i.e. rock, gravel or sand) better reflect the true environmental cost and encouraging recycling and the use of alternative materials. The levy was introduced at a rate of £1.60 per tonne. FA 2007 provided for an increase in the rate to £1.95 per tonne for aggregate commercially exploited on or after 1 April 2008, and FA 2008 provided for a further increase in the rate from 1 April 2009 to £2.00 per tonne. There was no increase in FA 2009. Budget 2010 announced a further increase to £2.10 per tonne, effective from 1 April 2011, which is just above current inflation.