

*These notes relate to the Landfill Tax (Scotland) Act 2014
(asp 2) which received Royal Assent on 21 January 2014*

LANDFILL TAX (SCOTLAND) ACT 2014

EXPLANATORY NOTES

THE ACT

Overview

7. The Act comprises 44 sections and is divided into five parts as follows:
 - PART 1 establishes that the tax is to be called the Scottish Landfill Tax to avoid potential confusion with references to UK Landfill Tax and gives an overview of the tax.
 - PART 2 contains the key concepts underlying the tax, including defining what a taxable disposal is, what disposals are exempt from the tax, how to calculate tax, who is liable to pay tax and when credit is available in relation to tax.
 - PART 3 contains the administrative provisions of the Act, including the registration requirements, accounting periods, recovery of overpaid tax, information provision and requirements for record keeping.
 - PART 4 defines the Tax Authority and establishes how functions may be delegated to SEPA and how directions may be made. It also outlines the rights of appeal.
 - PART 5 of the Act sets out the procedure for a series of subordinate legislation to be made under this Act. This includes:
 - setting the rates of the tax,
 - ability to change the materials taxed (setting qualifying material types),
 - ability to create new material types (due to new technologies or wanting to subdivide existing materials),
 - ability to add or remove exempted material types,
 - ability to change how the tax due is calculated,
 - methodologies for determining weight of material at a site,
 - ability to change credit/rebate qualifications (e.g the removal of material from a site that has already been taxed gets credited to the landfill site operator etc),
 - procedures for overpaid tax,
 - procedures for administering bad debt including bad debt relief (if a landfill operator's customer becomes insolvent or bankrupt),
 - procedures for writing off bad debts,
 - what information must be on Scottish Landfill Tax invoices.
8. Scottish Landfill Tax is a tax on taxable disposals. A "taxable disposal" is waste material which has been disposed of by way of landfill.