

POLICY NOTE

SCOTTISH LANDFILL TAX (STANDARD RATE AND LOWER RATE) ORDER 2019

SSI 2019/58

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.

Policy Objectives

The LT(S)A 2014 provides for a Scottish Landfill Tax (SLfT) which took effect on 1 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 and the two rates will be uprated from 1 April 2019:

- the standard rate is £91.35 per tonne; and
- the lower rate is per £2.90 tonne.

A list of material qualifying for the lower rate and conditions that 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 delivery of its waste policies, namely reducing the amount of material being sent to landfill, especially non-qualifying material which is particularly harmful from an environmental point of view.

Consultation

There is no statutory requirement to consult on this Order. The Scottish Government's proposed SLfT rates from 1 April 2019 were published in the Scottish Budget 2019-20 in December 2018¹.

Impact Assessments

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") on landfill tax was also published³ previously in December 2014 and landfill tax rates and bands orders will have no negative impact on equality issues.

¹ <https://www.gov.scot/budget/>

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

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

A strategic environmental screening exercise was also conducted and LT(S)A 2014 Scottish Statutory instruments raising landfill tax rates will have no negative impact on the environment⁴.

Financial Implications

The Scottish Government estimates that Scottish Landfill Tax will generate revenue of around £104 million in 2019-20. This is a full-year estimate. This forecast has been independently produced by the Scottish Fiscal Commission⁵.

Scottish Government
Tax Directorate
Scottish Exchequer

⁴Scottish Environmental Screening Exercise results available at:

<http://www.scotland.gov.uk/Topics/Environment/environmental-assessment/sea/SEAG>

⁵ 'Report on The on Draft Budget 2018/19, published December 2018, available at:

<http://www.fiscalcommission.scot/media/1435/scotlands-economic-and-fiscal-forecasts-december-2018-full-report.pdf>