
LANDFILL TAX: EXEMPTION FOR WASTE FROM CLEANING UP CONTAMINATED LAND

Who is likely to be affected?

1. Landfill site operators and those disposing of waste cleared from contaminated land by landfill.

General description of the measure

2. Waste from cleaning up contaminated land disposed of by landfill is exempt from landfill tax. Secondary legislation to be laid later this year will phase out this exemption.
3. In order to qualify for exemption, disposers must apply for and obtain a relief certificate from HM Revenue & Customs (HMRC) before disposing of their waste. This measure sets the deadline for the receipt of applications for exemption under the scheme and the date from which the exemption will be removed.

Operative date

4. Applications for landfill tax exemption certificates will not be accepted by HMRC on or after 1 December 2008.
5. Anyone in possession of a valid exemption certificate will have until 31 March 2012 to dispose of their waste if they wish to benefit from the exemption. All certificates issued under the scheme will cease to be valid on or after 1 April 2012 and disposals to landfill of waste from cleaning up contaminated land made on or after that date will be liable to landfill tax at the appropriate rate.

Current law and proposed revisions

6. Section 43B(1) of the Finance Act (FA) 1996 sets out the conditions that must be satisfied in order for relief certificates to be issued. This subsection will be amended to preclude the acceptance of applications received on or after 1 December 2008.

7. The eligibility criteria for exemption are set out at section 43A of FA 1996. Sections 43A and 43B FA 1996 will be repealed with effect on and after 1 April 2012.
8. These changes, and a number of consequential changes to FA 1996, will be made by Treasury Order laid under the affirmative procedure later this year.
9. Notice LFT2 “Reclamation of contaminated land” explains how to apply for a relief certificate. The notice and application form can be found on the HMRC website.
10. HMRC will write to landfill site operators and other interested businesses to provide more details about these changes. The secondary legislation needed to enact these changes will be published in draft in Summer 2008.

Further advice

11. If you have any questions about this change, please contact the National Advice Service on 0845 010 9000. Information about Budget measures is available on the HM Revenue & Customs website at www.hmrc.gov.uk