



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Mark Drakeford, AM
Cabinet Secretary for Finance and Local Government
Cardiff Bay
Cardiff
CF99 1NA

17 March 2017

Dear Mark

RE: Changes to landfill tax introduced by the Finance Bill 2017

Thank you very much for your letter of the 14 December 2016 regarding the changes to Landfill Tax. I had planned to discuss the concerns you raised in person, however in lieu of this not being possible, I am now writing to address these directly. I therefore hope you will forgive the delay in my response.

By making the specific changes outlined in clause 47, the UK government is providing clarity to landfill site operators of their liability. The changes will also have the effect of capping the Exchequer's liability arising from this lack of clarity in the Landfill Tax legislation.

In 2008, the Court of Appeal ruled that material received on a landfill site which is put to certain uses is not taxable. This has created uncertainty over what constitutes a taxable disposal and has led to increased complexity for operators.

Consequently, in Budget 2016 the government announced proposals to reform Landfill Tax legislation to give clarity and certainty for operators without altering the scope of the tax.



HMRC consulted with trade bodies and large operators, including large operators with sites in Wales, and has not identified any practical effect on compliant operators. The change is only a clarificatory amendment to existing legislation.

I can reassure you that these changes do not alter the scope of the tax, nor do they impose additional administrative burdens on operators.

I hope this is helpful.

With kind regards

Jane

Jane Ellison MP