FINANCE COMMITTEE CALL FOR EVIDENCE ON THE LANDFILL TAX (SCOTLAND) BILL

SUBMISSION FROM COMHAIRLE NAN EILEAN SIAR

Whether the Bill is consistent with the four principles underlying the Scottish Government’s approach to taxation – certainty, convenience, efficiency and proportionate to the ability to pay;

1. The Bill is consistent with these four principles.

The decision not to introduce significant changes to the form or structure of the existing UK Landfill Tax;

2. By not introducing significant changes to the form or structure of the existing UK Landfill Tax legislation uncertainty and misinterpretation is avoided.

The use of the same list of qualifying materials as specified in the Landfill Tax (Qualifying Material) Order 2011;

3. Options to expand the list of Qualifying Materials should be considered. For example, to regard the potential for excavated peat from landfill cell construction works, as being similar to sub-soils if no useful diversionary application is available and the material can subsequently be usefully used on the site from where it has been extracted.

The intention to set tax rates in subordinate legislation and in “such a way that rates will follow closely UK rates”;

4. This is supported to prevent competition across UK borders.

The power in the Bill to establish more than two tax rates and to vary the list of material qualifying for different tax rates in subordinate legislation;

5. Although the increase in the rate of Landfill Tax has made many recycling processes economically sustainable on the mainland of Scotland, the disproportionate costs of haulage of materials from island communities, such as the Western Isles, place unfair limitations on the economic sustainability of alternatives to landfill disposal. It is therefore considered that the rate of Landfill Tax applied to Island wastes disposed of to landfill should be at a lower rate for specific types of materials where no viable recycling or recovery routes are available.

6. In addition, with a differential rate of Landfill Tax varying between £80/tonne and £2.50/tonne, there is potential to consider an additional rate for materials which are close to inert specification but have no route for reuse or recycling.

The provisions which will allow the tax authority to pursue taxes evaded through the illegal dumping of waste;

7. This change is supported as it reinforces the ability to make the polluter pay when their actions evade taxation and result in environmental damage.
The list of activities and materials which are exempt from landfill tax;
8. Currently, gully emptying wastes delivered to a landfill site for treatment are charged at the full rate of LFT even if the water content is separated from solids, and discharged after treatment. Only the solid waste residues are disposed of to landfill. With the current guidance, Landfill Tax liability is applied to the total combined waste entering the site, even although the separated liquid is never landfilled.

The Scottish Landfill Communities Fund;
9. The potential increase in available funding for environmental projects is welcomed.

The role of Revenue Scotland in the administration of the tax;
10. No comment

The role of SEPA in the administration of the tax;
11. It is considered to be potentially advantageous to have a single body administering environmental compliance and Landfill Tax. SEPA will be able to call on their detailed understanding of Waste Management to carry out the role of LFT administrator.

The formula for calculating the adjustment to the block grant;
12. No comment

The financial implications of the Bill as estimated in the Financial Memorandum.
13. No comment