

Finance and Public Administration Committee
Tuesday 11 March 2025
9th Meeting, 2025 (Session 6)

Note by the Clerk on the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2025 [draft]

Overview

1. At this meeting, the Committee will take evidence from the Minister for Public Finance, Ivan McKee MSP, and Scottish Government officials, in relation to the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2025 before debating a motion in the name of the Minister inviting the Committee to recommend approval of the instrument.
2. This order is subject to the provisional affirmative procedure, which requires the Parliament to approve it within a 28-day period.
3. More information about the instrument is summarised below:

Title of instrument: [The Scottish Landfill Tax \(Standard Rate and Lower Rate\) Order 2025 \[draft\]](#)

Laid under: [The Landfill Tax \(Scotland\) Act 2014](#)

Laid on: 19 February 2025

Procedure: Affirmative

Lead committee to report by: 11 March 2025

Commencement: If approved, the instrument comes into force on 1 April 2025

4. Following evidence-taking on the SSI at agenda item 2, the Committee will be invited at agenda item 3 to debate and vote on motion [S6M-16546](#), lodged in the name of the Minister for Public Finance—

That the Finance and Public Administration Committee recommends that the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2025 (SSI 2025/41) be approved.

Procedure

5. The Order is subject to the provisional affirmative procedure, which requires Parliament to approve it within a 28-day period. Further information about the provisional affirmative procedure is included at Annexe A.

Delegated Powers and Law Reform Committee consideration

6. The DPLR Committee considered the instrument on at its meeting on [25 February 2025](#) and reported on it in its [13th report, 2025](#), which was published on the same date. The DPLR Committee made no recommendations in relation to the instrument.

Purpose of the instrument

7. Scottish Landfill Tax (SLfT) is a tax on the disposal of waste to landfill, paid by site operators and charged by weight. It is charged based on two rates: a standard rate and a lower rate for 'less polluting' materials. The Scottish Government announces these rates as part of the annual Scottish Budget.
8. The rates are subsequently set with the approval of the Parliament by way of a statutory instrument (the Order). Section 41(3)b of the Landfill Tax (Scotland) Act 2014 states that such an Order "ceases to have effect at the expiry of the period of 28 days beginning with the date on which it was made unless, before the expiry of that period, the order has been approved by resolution of the Parliament".
9. The [Scottish Budget 2025-26](#) published on 4 December 2024 set out the proposed SLfT rates for 2025-26. The Order, which was laid before the Parliament on 19 February 2025, specifies that the standard and lower rates for disposals will be increased from 1 April 2025 as follows—
 - standard rate is £126.15 per tonne (currently £103.70), and
 - lower rate is £4.05 per tonne (currently £3.30)
10. The rates are consistent with UK Landfill Tax rates, which the Scottish Budget 2025-26 states, "addresses the risk that lower rates could result in the movement of waste to Scotland from the rest of the UK".
11. The Budget document also includes forecasts that SLfT is expected to raise £40 million (m) in 2025-26, a reduction from £54m in 2024-25. It explains that "Scottish Fiscal Commission forecasts show that SLfT revenues will decline significantly once the legislative ban on the landfilling of all biodegradable municipal waste comes into force on 31 December 2025". The Scottish Government therefore intends to conduct a public consultation in 2025 "to support decisions on the future of the fund".
12. The [Policy Note](#) accompanying the instrument is included at Annexe B to this paper. It states that there is no statutory requirement to consult on this Order and goes on to note that "the Cabinet Secretary for Finance and Local Government confirms that no Business and Regulatory Impact Assessment is necessary as

the instrument has no financial effects on the Scottish Government, local government or on business”.

Report

13. Following the evidence session with the Minister for Public Finance and the debate and vote on the motion to approve the instrument, a report of the Committee’s decision on the instrument will be published on 11 March 2025.

Clerks to the Committee
March 2025

Procedures for Committee consideration of affirmative instruments

1. The Order is subject to the provisional affirmative procedure, which requires the Parliament to approve it within a 28-day period.
2. Once laid, the instrument is referred to:
 - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and
 - a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.
3. The lead committee, taking account of any recommendations made by the DPLR Committee (or any other committee), must report within 28 days of the instrument being laid.
4. The normal practice is to have two agenda items when a provisional affirmative instrument is considered by the lead committee:
 - an evidence session with the Minister and officials, followed by
 - a formal debate on a motion, lodged by the Minister, inviting the lead committee to recommend approval of the instrument.
5. Only MSPs may participate in the debate, which may not last for more than 90 minutes. If there is a division on the motion, only committee members may vote. If the motion is agreed to, it is for the Chamber to decide, at a later date, whether to approve the instrument.

POLICY NOTE**THE SCOTTISH LANDFILL TAX (STANDARD RATE AND LOWER RATE)
ORDER 2025****SSI 2025/41**

The above instrument 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 instrument is subject to provisional affirmative procedure.

Summary Box

This instrument provides for the annual increase in Scottish Landfill Tax rates. It specifies the Standard rate and Lower rate for disposals on or after 1 April 2025, as announced in the Scottish Budget 2025-26.

Policy Objectives

The LT(S)A 2014 provides for a Scottish Landfill Tax (SLfT), which took effect on 1st 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. This instrument provides that the standard and lower rates will be increased from 1st April 2025, so that:

- The standard rate is £126.15 per tonne, and
- The lower rate is £4.05 per tonne

A list of materials qualifying for the lower rate and the conditions which 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 the policy aim of reducing the amount of material sent to landfill and supporting a more circular economy. The increase will mean that rates and bands remain consistent with those in place in the rest of the UK, addressing the risk of waste tourism.

**UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024
Compatibility**

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2025 is compatible with the UNCRC requirements as defined by section 1(2) of that Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

There is no statutory requirement to consult on this Order. The Scottish Government's proposed SLfT rates from 1st April 2025 were announced by the Cabinet Secretary for Finance and Local Government and published in the Scottish Budget 2025-26¹.

Impact Assessments

Equal opportunities - This Order does not unlawfully discriminate in any way with respect to any of the protected characteristics (including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) either directly or indirectly.

Human rights – This Order does not infringe on or affect any subject areas of the European Convention on Human Rights (ECHR). We have not identified differential impact on human rights nor any impact on any individual's civil liberties.

Fairer Scotland – This order should not have any direct implications for inequalities arising from socio-economic disadvantage.

Consumer - There will not be any additional impacts on consumers as a result of the provisions in this Order.

Island communities – No new impacts have been identified in relation to the provisions of this Order.

Local government – There will not be any additional administrative or compliance burdens specifically affecting local government beyond those duties local authorities are already subject to under the SLfT legislation.

Sustainable development – The Order will have no impact on sustainable development.

A **Business and Regulatory Impact Assessment ("BRIA")**² was published looking at different rates and bands associated with the LT(S)A 2014.

¹ Scottish Government Budget 2025-26 published 10 December 2024, available at: <https://www.gov.scot/publications/scottish-budget-2025-2026/>

² 'Scottish Landfill Tax Final Business and Regulatory Impact Assessment', published 14 December 2014, available from: <https://www.gov.scot/publications/landfill-tax-scotland-bill-business-regulatory-impact-assesment/>

An **Equality Impact Assessment (“EQIA”)**³ on landfill tax was also published previously in December 2014 and landfill tax rates and bands orders will have no negative impact on equality issues.

A Strategic Environmental screening exercise⁴ was also conducted, which concluded that LT(S)A 2014 Scottish Statutory instruments raising landfill tax rates will have no negative impact on the environment.

Sustainable development – The Order will have no impact on sustainable development.

Privacy impacts – No privacy impacts resulting from this legislation have been identified.

Financial Effects

The Cabinet Secretary for Finance and Local Government confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Government
Tax and Revenue Directorate

February 2025

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

⁴ Scottish Government, ‘Exercise Scottish Environmental Screening results, available from: <http://www.scotland.gov.uk/Topics/Environment/environmental-assessment/sea/SEAG>