

FINANCE ACT 2012

EXPLANATORY NOTES

INTRODUCTION

Section 205: Standard Rate of Landfill Tax

Summary

1. [Section 205](#) increases the standard rate of landfill tax from £64 per tonne to £72 per tonne for disposals of relevant waste made or treated as made at authorised landfill sites on or after 1 April 2013.

Details of the Section

2. Subsection (1) changes the rate of landfill tax from “£64” to “£72” in sections 42(1)(a) and 42(2) of the Finance Act 1996 (amount of landfill tax).
3. Subsection (2) provides for the increase to apply to disposals of relevant waste made, or treated as made, on or after 1 April 2013.

Background Note

4. Landfill tax was introduced on 1 October 1996 to increase the cost of disposing of waste and thereby encourage waste producers and the waste management industry to switch to more sustainable alternatives to disposing of waste. There is a lower rate of tax, which applies to less polluting qualifying wastes listed in a Treasury Order, and a standard rate which applies to all other taxable waste disposed of at authorised landfill sites.
5. In the June 2010 Budget, the Government confirmed that the standard rate of landfill tax would rise by £8 per tonne on 1 April each year up to and including 2014. The Government also announced a floor under the standard rate of landfill tax so that the rate will not fall below £80 per tonne from 2014-15 to 2019-20.
6. The Government announced in Budget 2012 that the lower rate of landfill tax, currently £2.50 per tonne, will remain frozen in 2013-14.