

# Bill to introduce landfill disposals tax in Wales is passed

The Landfill Disposals Tax (Wales) Bill is the third of three Bills to establish tax arrangements in Wales.

Landfill disposals tax, which will replace landfill tax in Wales, will come into effect in April 2018. The revenue raised will help fund public services in Wales.

Landfill disposals tax – similar to the current landfill tax, which is collected throughout Wales and England – will be a tax on the disposal of waste to landfill. It will be paid by landfill site operators who pass these costs on to waste operators.

The Bill extends the application of landfill disposals tax to unauthorised disposals of waste. This will introduce a financial deterrent to discourage people from disposing of waste unlawfully, encouraging them to pay their fair share of tax by disposing of waste at a registered landfill site.

There are currently 25 landfill sites in Wales, operated by 20 landfill site operators. In Wales, the Office for Budgetary Responsibility forecasts that landfill tax will generate £25m in 2018-19.

The Finance Secretary will announce the rates for landfill disposals tax by October 1 and the regulations will be laid after the UK Autumn Budget.

Local communities affected by the disposal of waste to landfill will benefit from a new grant-funded scheme in Wales – the Landfill Disposals Tax Communities Scheme, which will be introduced in April 2018.

Welcoming the passing of the Bill by the National Assembly, Finance Secretary Mark Drakeford said:

“ This Bill is the third piece of legislation to establish tax arrangements in Wales and another important step in our devolution journey.

“In less than a year’s time, we will be introducing the first Welsh taxes in almost 800 years and Wales will become responsible for raising our own money to spend on public services.

“Once law, this Bill will enable us to introduce a tax on landfill disposals in Wales from April 2018. The Bill ensures public services in Wales will continue to benefit from the revenues raised by this tax.

“Wales is at the forefront of waste policy and landfill disposals tax is an important element of achieving our goal of a zero waste

Wales.

“ We have worked closely with stakeholders in developing this Bill. While it is broadly consistent with the existing landfill tax, therefore providing stability to businesses and minimising the risk of waste tourism, we have made a number of improvements to the tax.

“It is simple and clear to apply; addresses areas of confusion and uncertainty; is up to date and relevant to Wales. Together with the other tax legislation we have introduced it will pave the way to a smooth transition to tax powers.”

The Landfill Disposals Tax (Wales) Bill is anticipated to receive Royal Assent in the summer.