



Revenue Scotland guidance on how to determine the rate of Scottish Landfill Tax chargeable on contaminated soils.

Consultation Response Form

Please complete this form and email to the address below no later than 15 July 2015.

info@revenue.scot

If you wish to submit your response in PDF format please also provide a version in Word. This will help us with collating and analysing all responses.

Alternatively, you can request a hard copy of this form by writing to us at the address below or phoning 0300 0200 310. Hard copy responses should be sent to:

SLfT Guidance Consultation
Revenue Scotland
PO Box 24068
Victoria Quay
EDINBURGH EH6 9BR

1. Name/Organisation

Organisation Name (Leave blank if responding as an individual)

Main business activities of organisation

Title Mr Ms Mrs Miss Dr other

Surname

Forename

2. Postal Address

Postcode	Phone	Email

3. Permissions - I am responding as...

<input checked="" type="checkbox"/> Individual	/	Group/Organisation
<input checked="" type="checkbox"/>	<i>Please tick</i>	<input type="checkbox"/>

(a) Do you agree to your response being made available to the public (on the Revenue Scotland website)?

Yes No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available

Yes, make my response available, but not my name and address

Yes, make my response and name available, but not my address

(c) The name and address of your organisation **will be** made available to the public (on the Revenue Scotland website).

Are you content for your **response** to be made available?

Yes No

(d) Are you content for Revenue Scotland to contact you again in relation to this or any similar consultation exercises?

Yes No

4. Revenue Scotland seeks to operate to Adam Smith's principle of certainty for the taxpayer about their tax liability. Compared to the current guidance, how easy will it be to be sure of the tax due on each load of soil disposed of to landfill under:

(a) Option 1 (Current guidance plus WM2)

It is considered that Option 1 will still leave considerable uncertainty as to the classification of a "waste" soil, and will result in continuing pre-disposition to landfill at the lower rate of tax.

(b) Option 2 (Current guidance plus WM2 plus Inert WAC)

It is considered that Option 2 has very clear advantages as it will not only enable those concerned to be sure of the tax due, but, by a significant margin, it will promote the adoption of more sustainable soil management / utilisation options in all areas where this material is generated.

- The retention, and where possible increase, of organic matter stored in soils has been identified as an area of huge potential in reducing carbon emissions and, therefore, mitigating climate change impacts (researchers have estimated that in the UK alone in the order of 10 billion tonnes of carbon is stored in soils - that is more than in all the trees in the forests of Europe). Dumping large quantities in landfill sites is likely to lead to carbon release in most cases; whether in the form of carbon dioxide or methane will depend on specific conditions
- Soils take a long time to be generated, perhaps, on average, 1mm per year, therefore dumping can be considered as depletion of a non-renewable resource. It is also completely at odds with circular economy principles being promoted by the Scottish Government, Zero Waste Scotland and many other organisations; ie. to keep materials in productive use
- Unnecessary use of landfill void space, a finite resource.

5. Compared to the current guidance, how would the volume and type of material being disposed of to landfill change under:

(a) Option 1 (Current guidance + WM2)

It is considered that the less stringent requirements will merely allow dumping of larger quantities of non-hazardous soils, which could have productive uses (albeit after some treatment), as this will remain the most economical option in many circumstances. This will have serious negative impacts on those enterprises that seek to provide the valuable service of, where possible, keeping soils in situ (reducing transport emissions), providing for other productive use, or treating to remove contaminants to allow productive use.

(b) Option 2 (Current guidance + WM2 + Inert WAC)

It is considered that an administrative and financial incentive would be provided so that less potentially productive soil would be routinely dumped in landfill, as consistent with circular economy and sustainability principles, and Scottish Government policies.

6. How would each option impact on you administratively and in terms of your day to day operations? Do you see any advantages or disadvantages from either of the options? If so, please explain these.

(a) Option 1 (Current guidance plus WM2)

As above, reduced administration will merely add to the incentive to dump soil without seeking any way to bring back into productive use, whether uncontaminated or contaminated (with treatment potential to bring back into productive use).

(b) Option 2 (Current guidance + WM2 + Inert WAC)

As above, the extra administration (and, therefore, also some additional cost) will provide the appropriate encouragement to keep soil in productive use whenever possible.

7. Do you have any other comments you would like to make about our guidance on this particular area?

Yes No

If you ticked 'yes', please provide your comments or suggestions:

The OECD (Organisation de Coopération et de Développement Économiques) launched a Green Growth Strategy in 2011 – a practical framework to help countries foster economic growth while preserving the environmental assets on which our well-being relies.

The Green Growth Strategy underlines the important role that taxation can play in supporting sustainable growth. In particular, it discusses three ways in which tax policy can be harnessed to environmental ends:

- pricing pollution and other environmental degradation using environmentally related taxes and charges
- removal or reform of environmentally harmful tax preferences
- use of environmentally targeted tax preferences to encourage more environmentally benign practices by businesses and individuals.

This is discussed in detail in Greene, J. and N. A. Braathen (2014), "Tax Preferences for Environmental Goals: Use, Limitations and Preferred Practices", *OECD Environment Working Papers*, No. 71, OECD Publishing.

Clearly, in this case, Option 2 is the option that provides the appropriate incentive to retain as much soil as possible in sustainable and productive use.