

Scottish Landfill Tax

June 2015 Update for Operators:

6 important things you should know

1. Register of Landfill Operators

We have now published the [register of landfill operators](#) on our website in accordance with the provisions in [s24, Landfill tax \(Scotland\) Act 2014](#).

Please check that the register details we have published for you are correct.

You must tell us immediately if this information is not accurate and correct. You must also tell us in future if any of the registration information you have provided to us changes or you discover that it is inaccurate. For example: if the name or address of your business or of a partner changes or you start to operate additional sites or you cease or intend ceasing to make taxable disposals at any or all of your sites. Further guidance is available at [SLfT4008](#).

If you do not notify us in writing within 30 days of becoming aware of any inaccuracies or changes to your registration details you may be liable to a penalty.

2. SLfT Returns

13 August 2015 is the date by which your first SLfT return and tax payment must reach us. This date is 44 days after 30 June 2015 which is the end of the first SLfT accounting period for all operators liable to and registered for SLfT. If your SLfT return and tax payment do not reach us on or before 13 August 2015 you may be liable to a penalty and/or interest.

Please note: You will only be able to complete and submit your SLfT return online if you have registered for SLfT and signed up to use our online tax portal. See our guidance on [how to register for SLfT](#) and [how to log into the online portal](#).

If you have already signed up for the portal you will now be able to view the online return form and create and save a draft version of the form. To do this you will need to log into your account, go to the "Tax Returns" page and select the "New SLfT Return" option which you will find at the far left of the page.

Although you can currently save draft versions of the return form **you will not be able to submit a return before 30 June 2015**.

A copy of the SLfT return and guidance on how to complete online and manual (paper) returns will be published on our website before 30 June.

3. Water Discount Authorisations

30 June 2015 is a significant date for waste producers who currently benefit from a water discount previously agreed with HMRC and authorised by us until 31 October 2015. This (30 June) is the date by which we require a new application for a water discount for SLfT.

From 1 November 2015, all existing agreements to discount the weight of water will automatically lapse and you must account for tax on the total weight of waste accepted unless we have written to you authorising you to apply a new SLfT discount from 1 November. If we have not received the new application for a water discount by 30 June 2015, we cannot guarantee that a new agreement, effective from 1 November, will be in place before the old discount lapses.

If you want an authorisation to apply a water discount to waste received on or after 1 November, you must complete the form [SLfT Revenue Scotland water discount – site operator’s agreement](#) immediately and send the completed form to the waste producer. The waste producer must provide us with a copy of your signed agreement as part of their application.

We would welcome your assistance in highlighting this process to any waste producers who currently benefit from an agreed water discount. Application forms can be downloaded and printed from the SLfT ‘Forms’ section of our website. See: [New applications on or after 1 April 2015](#)

4. Loss on Ignition testing for waste fines

We are aware that there is currently some uncertainty about the position for SLfT with regards to loss on ignition (‘LOI’) testing and we are planning to issue further guidance.

In the meantime we would like to clarify two points. Firstly; Scottish Ministers have not made LOI a statutory test for determining whether waste materials are qualifying materials within the [Scottish Landfill Tax \(Qualifying Materials\) Order 2015](#) from 1 April 2015 but they do intend to consult further with a view to introducing future legislation.

Secondly; Revenue Scotland has effectively made LOI mandatory from 1 April 2015 for establishing the rate of tax to be applied by directing in guidance that operators must follow a 3-step testing process to determine whether waste fines that consist of qualifying materials apart from a small amount of non-qualifying material may be charged at the lower rate in accordance with section [14\(2\) Landfill Tax \(Scotland\) Act 2014](#).

The test process includes the following steps, all of which must be completed and satisfied:

- Step 1: Determine that the material would be qualifying material if the non-qualifying element wasn’t present by following our general guidance at [SLfT2006](#).
- Step 2: Use WM2 (or its successor) test to determine if the waste is non-hazardous.
- Step 3: Use Loss on ignition test at 440°C to determine that the loss of mass due to the combustible content of the waste is less than 15% .

Further details are set out in our SLfT guidance, available from our website, at [SLfT2006](#).

5. Revenue Scotland consultation on testing contaminated soils

The testing process for waste fines set out in the flowchart at [SLfT2006](#) does not apply to contaminated soils and we are aware that there is currently uncertainty and possible misclassification of this waste stream for tax.

The “General guidance” section of [SLfT2006](#) does currently apply to contaminated soils and should therefore be followed to determine whether they may be charged at the lower rate in accordance with section [14\(2\) Landfill Tax \(Scotland\) Act 2014](#).

On 5 June 2015 we launched a [consultation](#) to seek views on two options for improving our guidance, to enable taxpayers (principally landfill site operators) to determining the correct rate of SLfT chargeable on contaminated soils.

We are seeking views on two possible additions to our guidance:

Option 1: Specify WM2 (or its successor WM3) test for determining whether waste is non-hazardous.

Option 2: For soils confirmed as non-hazardous by WM2, specify use the WAC test to assess whether the soils meet inert WAC criteria

Under option 1, only waste that is deemed non-hazardous by WM2 would be liable for tax at the lower rate of SLfT. Any waste that is not deemed non-hazardous by WM2 would be wholly chargeable at the standard rate of SLfT. As there are currently no hazardous materials listed in the SLfT QMO this aligns with the policy intention. Under this proposal we expect that a greater proportion of waste soil arising would qualify for the lower rate of tax.

Under option 2 only soils that meet the criteria set out in [SLfT2006](#) **and** that are deemed non-hazardous by WM2 **and** that meet the inert WAC criteria would be liable for tax at the lower rate of SLfT. All other contaminated soils would either be wholly chargeable at the standard rate of SLfT or need to be treated in order to meet these criteria before qualifying for the lower rate of tax. The inclusion of Inert WAC makes this a more stringent test than option 1 and under this proposal we expect that a relatively small proportion of waste soil would qualify for the lower rate of tax without further treatment.

We would welcome views from operators, tax advisors, contractors, the wider waste management industry and the waste producing businesses that they serve who we think will be most affected by this change. The consultation is open until 15 July and is available to download from our website at <https://www.revenue.scot/scottish-landfill-tax/consultations>.

6. SLfT Forum

The first meeting of the SLfT forum will take place on **25 June 2015** at COSLA, Haymarket Yards, Edinburgh between 10.00am and 13.00pm with registration from 9:30am.

The forum is an opportunity for operators, their advisors and representatives from the wider industry to meet with Revenue Scotland to discuss and address live tax issues and future developments. Registration for the event is available from <https://www.eventbrite.co.uk/e/slft-forum-tickets-17273948846>

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