

Action required by 30 November 2008 to claim landfill tax exemption for contaminated land

In advance of the withdrawal of the landfill tax exemption for waste from cleaning up contaminated land, announced in Budget 2008, affected businesses are reminded that 30 November 2008 will be the last day upon which HMRC will accept applications for landfill tax exemption certificates. New certificates will not be issued after that date. Businesses that file applications by 30 November will be able to benefit from this particular exemption from landfill tax until 31 March 2012. As the preparation of an application (including generating and collating all the required data) can be a lengthy process, landfill site operators and those disposing of waste cleared from contaminated land by landfill will need to start preparing their applications as soon as possible in order to meet the 30 November 2008 deadline.

The contaminated land exemption from landfill tax is to be repealed. The deadline for receipt by HMRC of landfill tax exemption applications is 30 November 2008. Anyone with an appropriate certificate will then have until 31 March 2012 to dispose of their waste without incurring the standard rate of landfill tax, which is now £32 per tonne. However, all certificates will cease to be valid on or after 1 April 2012 and disposals to landfill of waste from cleaning up contaminated land made on or after that date will be liable to landfill tax at the appropriate rate.

Given that the deadline for applications to be received by HMRC is looming, it is important that affected businesses (e.g. landfill site operators and those disposing of waste cleared from contaminated land by landfill) commence the application process, including generating and collating all the required data, as soon as possible.

Although the amending legislation does not appear to have been published as yet (HMRC had stated that the secondary legislation needed to enact these changes will be published in draft in summer 2008), 4 Eyes Ltd is not aware that the timetable for withdrawal of the contaminated land exemption has been amended.