

[Assembly to debate the general principles of the Landfill Disposals Tax \(Wales\) Bill](#)

[View this post in Welsh | Darllenwch yr erthygl yma yn Gymraeg](#)

17/03/17

The [Landfill Disposals Tax \(Wales\) Bill](#) was laid before the Assembly on 28 November 2016, and introduced in [plenary](#) by the Cabinet Secretary for Finance and Local Government on 29 November 2016. The Assembly will debate the general principles of the Bill on 21 March 2017.

The Landfill Disposals Tax (Wales) Bill (LDT) is concerned with establishing the legal, administrative and operational framework to **replace Landfill Tax (LFT) in Wales in April 2018**. Landfill Tax is currently a UK tax on the disposal of material as waste by way of landfill at landfill sites which are permitted under environmental legislation. The current tax was introduced in 1996 as a key environmental **behaviour change** driver in encouraging the diversion of waste from landfill, greater recycling, reuse and recovery of waste. Since the tax was introduced it has contributed to a significant reduction in the proportion of waste sent to landfill, and an increase in recycling.

This Bill is the third piece of legislation related to the devolution of tax powers in the Wales Act 2014. The Bill was preceded by the [Tax Collection and Management \(Wales\) Act 2016](#) which established the legal framework necessary for the future collection and management of devolved taxes in Wales and [the Land Transaction Tax and Anti avoidance of Devolved Taxes \(Wales\) Bill](#), which will replace Stamp Duty Land Tax from April 2018.



Further information on the background to the Bill, an overview of its parts, a summary of financial implications, and a Welsh glossary are provided in the Research Service's [Bill Summary](#) (PDF, 844KB).



The Finance Committee [reported](#) (PDF, 1MB) on its Stage One consideration of the general principles of the Landfill Disposals Tax (Wales) Bill on 10 March 2017.

The Finance Committee's report sets out a number of recommendations aimed at strengthening the legislation. For example, the Committee would like to see the proposed rates of taxation, a list of qualifying materials and provisions for bad debt relief, included on the face of the Bill.

Whilst the Welsh Government intends to bring forward secondary legislation in relation to some of these provisions, the Committee remains concerned that secondary legislation is not subject to the same amount of scrutiny as a Bill.

The Committee also believes that businesses need certainty when it comes to the application of new tax legislation, and that including such detail in the law itself would help to address concerns.

The Committee heard considerable evidence in relation to the importance of the [Landfill Disposals Tax Communities Scheme](#). The Committee recommend that a Communities Scheme is included on the face of the Bill to show commitment to the scheme going forward, but accept that some of the detail could be specified in regulations.

The Constitutional and Legislative Affairs Committee considered the appropriateness of the provisions in the Bill about powers to make subordinate legislation. Its [report](#) (PDF, 2MB) was also published on 10 March 2017.

Subject to the Assembly agreeing the general principles of the Landfill Disposals Tax (Wales) Bill, the Bill will proceed to Stage Two (detailed Committee consideration of the Bill and any proposed amendments). Stage Two proceedings are expected to be completed by 26 May 2017.

Article by [Helen Jones](#), National Assembly for Wales Research Service.

Image from Flickr by Adam Levine. Licensed under Creative Commons.

