



The Scottish Parliament
Pàrlamaid na h-Alba

FINANCE COMMITTEE

AGENDA

18th Meeting, 2013 (Session 4)

Wednesday 12 June 2013

The Committee will meet at 9.30 am in Committee Room 6.

1. **Landfill Tax (Scotland) Bill:** The Committee will take evidence on the Bill at Stage 1 from—

Professor Jim Baird, Glasgow Caledonian University, The Chartered Institution of Wastes Management;

Stephen Freeland, Policy Executive, Scottish Environmental Services Association;

Craig Hatton, Corporate Director, North Ayrshire Council;

and then from—

Lloyd Austin, Head of Conservation Policy, RSPB Scotland;

Willie Beattie, Member, The Scottish Landfill Communities Fund Forum;

Lucy Graham, Head of Development, Scottish Wildlife Trust;

Paul Johnston, Chair, Community Resources Network Scotland.

James Johnston
Clerk to the Finance Committee
Room T3.60
The Scottish Parliament
Edinburgh
Tel: 0131 348 5215
Email: james.johnston@scottish.parliament.uk

The papers for this meeting are as follows—

Agenda item 1

Paper by the Clerk

FI/S4/13/18/1

Finance Committee

18th Meeting, 2013 (Session 4), Wednesday 12 June 2013

Landfill Tax (Scotland) Bill: Stage 1

Introduction

1. The Finance Committee has been designated as the lead committee for consideration of the [Landfill Tax \(Scotland\) Bill](#). The purpose of this paper is to provide information to the Committee in advance of its second and third oral evidence sessions at Stage 1 when it will hear from—

- The Chartered Institution of Wastes Management, North Ayrshire Council and the Scottish Environmental Services Association; and then from
- RSPB Scotland, The Scottish Landfill Communities Fund Forum, the Scottish Wildlife Trust and Community Resources Network Scotland

2. Copies of the Bill and accompanying documents have been circulated to members along with a [SPICe briefing on the Bill](#). [Written submissions](#) from the witnesses are attached at Annexe B. The Official Report of the evidence session with the Scottish Government Bill Team on 5 June is available on the [Committee's webpage](#).

3. The Delegated Powers and Law Reform Committee has begun its consideration of the delegated powers provisions within the Bill and expects to report to the lead committee in the coming weeks. The Public Audit Committee is also expected to consider correspondence in relation to the audit and accountability arrangements of the organisations expected to have responsibility for collection of the tax at its meeting on 12 June.

Background

4. The role of the Committee at Stage 1 is to consider and report on the general principles of the Bill. It issued a [call for evidence](#) (attached at Annexe A) on 24 April and the responses received have been published on the Committee's [Landfill Tax \(Scotland\) Bill webpage](#).

Bill purpose

5. The purpose of the Bill is “to make provision about the taxation of disposals to landfill.”

Policy Memorandum

6. The [Policy Memorandum](#) states that—

“The Bill is one of three related Bills being brought forward as a consequence of measures enacted in the Scotland Act 2012 (the 2012 Act). Under the terms of the 2012 Act, the Scottish Parliament has responsibility for taxes on land transactions and disposals to landfill. This Bill deals with the latter responsibility

and makes provisions for a Scottish tax on disposals to landfill, to be called the Scottish Landfill Tax.”

7. It goes on to note that the Bill is intended to—

- “establish a tax system that supports the rationale for the use of taxes and charges in environmental policy so as to compensate for the impacts on the environment (and perhaps people), which are side-effects of processes of production and consumption, and the costs of which would not otherwise enter into the calculations of those responsible for the processes;
- ensure the tax aligns with the aims of the Zero Waste Plan, including promoting high levels of recycling and diverting material/resources from landfill into more sustainable forms of use or treatment;
- help ensure that market distortions caused by illegal operations through which tax is evaded do not undermine legitimate business ventures;
- establish a tax that is simple and efficient for landfill operators to understand and comply with, including for those operating landfill sites across the UK, and which is transparent to operators and to wider stakeholders;
- establish a system of collection and enforcement that is aligned with the principles of better regulation;
- incorporate a tax credit scheme that provides an incentive to operators of landfill sites to contribute financially to projects that meet environmental and social objectives;
- create a system that is cost effective to operate in relation to the revenues generated.”

Financial Memorandum

8. The Committee would normally consider the Financial Memorandum (FM) for each Bill and report to the lead committee. As it is the lead committee for this Bill, it will consider the FM as part of its Stage 1 scrutiny and address any particular issues relating to it in its Stage 1 report. The FM is set out in paragraphs 14 to 29 of the [Explanatory Notes](#).

Conclusion

9. The Committee is invited to consider the above information along with the attachments at Annexes A and B in its oral evidence sessions.

**Alan Hunter,
Assistant Clerk to the Committee**

ANNEXE A

LANDFILL TAX (SCOTLAND) BILL: CALL FOR EVIDENCE

The Committee is seeking views on the general principles of the Bill and in particular—

- whether the Bill is consistent with the four principles underlying the Scottish Government's approach to taxation – certainty, convenience, efficiency and proportionate to the ability to pay;
- the decision not to introduce significant changes to the form or structure of the existing UK Landfill Tax;
- the use of the same list of qualifying materials as specified in the Landfill Tax (Qualifying Material) Order 2011;
- the intention to set tax rates in subordinate legislation and in “such a way that rates will follow closely UK rates”;
- the power in the Bill to establish more than two tax rates and to vary the list of material qualifying for different tax rates in subordinate legislation;
- the provisions which will allow the tax authority to pursue taxes evaded through the illegal dumping of waste;
- the list of activities and materials which are exempt from landfill tax;
- the Scottish Landfill Communities Fund;
- the role of Revenue Scotland in the administration of the tax;
- the role of SEPA in the administration of the tax;
- the formula for calculating the adjustment to the block grant;
- the financial implications of the Bill as estimated in the Financial Memorandum.

ANNEXE B

Written Submissions on Scottish Landfill Tax (Scotland) Bill

Copies of the written submissions from the witnesses from whom the Committee will hear evidence on 12 June are available via the links below—

- [The Chartered Institution of Wastes Management](#)
- [North Ayrshire Council](#)
- [Scottish Environmental Services Association](#)
- [RSPB Scotland](#)
- [The Scottish Landfill Communities Fund Forum](#)
- [Scottish Wildlife Trust](#)
- [Community Resources Network Scotland](#)