

## Use of Material on Landfill Sites – Landfill Tax Liability

January 2009



In response to the Court of Appeal decision in *Waste Recycling Group Limited v Revenue and Customs Commissioners*, HM Revenue and Customs have issued a brief on the taxing of materials used on landfill sites.

Under section 41(1) of the Finance Act 1996 a landfill site operator was liable for the relevant tax as the operator of a site if any particular disposal of inert material at its landfill site represented a 'taxable disposal.' Section 40(2) of the 1996 Act defines a taxable disposal as 'a disposal of material as waste' made by way of landfill at a landfill site on or after 1 October 1996.

Waste Recycling Group Limited was in the business of waste management and operated landfill sites across the United Kingdom. Upon receipt of both inert and active waste, Waste Recycling Group separated out inert material from other waste so that useful inert material could be sent to the landfill sites for use as daily cover or for building roads.

The Court of Appeal ruled in favour of Waste Recycling Group in their action relating to landfill tax liability. The Court found that where material received on a landfill site is put to use on the site it is not taxable, as there is not, at the relevant time, a disposal with the intention of discarding the material.

This decision could have implications for the tax liability of landfill site operators across the United Kingdom.

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