

SLfT Forum
1 July 2016, Stirling



Welcome

Elaine Lorimer, Chief Executive



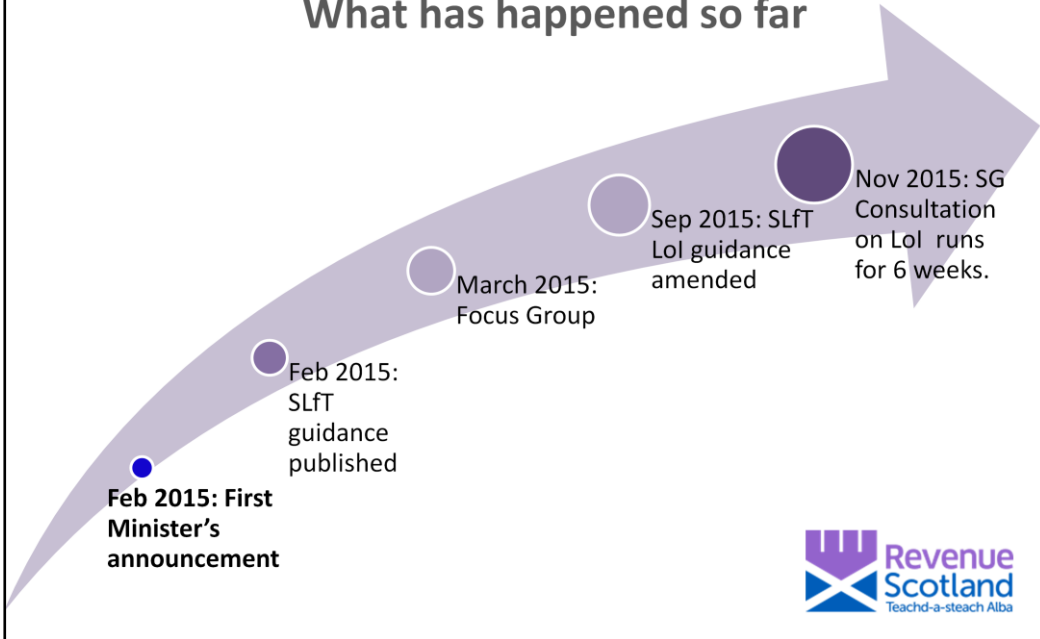
Loss on Ignition Consultation

Robert Buchan
Senior Principal Tax Specialist



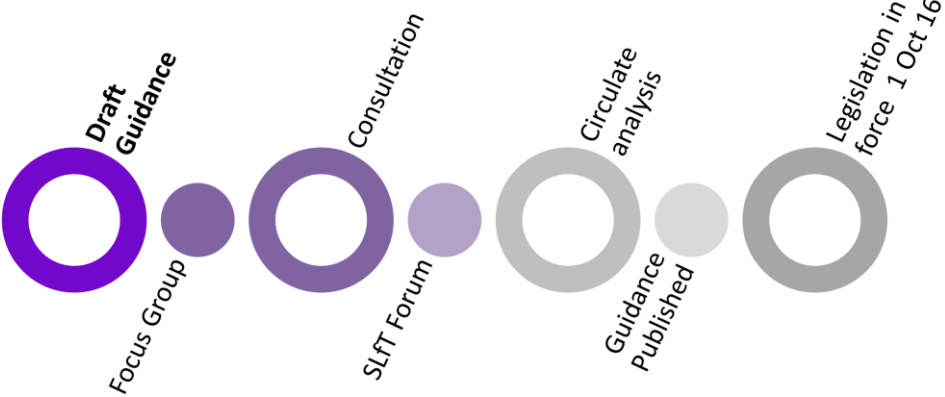
Loss on Ignition

What has happened so far



Loss on Ignition

Guidance Consultation



Loss on Ignition

Draft Guidance

- **Frequency of testing** included
- **Pre-acceptance checks** section: visual inspections and questionnaire
- **New flow chart** that includes evidence steps
- Submit Lol result forms **online**



Experience so far and recent changes

Chris Myerscough, Operations Director





RS publishes SLfT statistics after the end of each quarter. These can be found in the publications area of the 'about us' area of our website.

The information we publish is taken from the returns received in each quarter.

We also publish the register of landfill operators on our website.

SLfT – Year 1

LFOs registered for tax : 35

Registered sites: 53

Total tax declared due: £147m

Self-declared contributions to SLCF: £9m

Enquiries opened by Revenue Scotland: 10



Common errors and misconceptions



Amount of tax payable and paid

Credit for Bad Debt Claimed: £	0.00
Credit for permanent removals claimed: £	0.00
Total Credits: £	0.00
Tax Payable: £	2,475,958

The return rounds down the figure to the nearest pound please make sure this is the exact amount you pay to Revenue Scotland.



Always round down to the nearest £. Please don't send us any pennies.

Credit limit for SLCF Contributions

90% of the qualifying contribution
subject to a cap of 5.6% of your
SLfT liability for the contribution
year.

Tax liability cannot be anticipated



We have identified discrepancies during end of year reconciliation of the amounts and dates of contributions reported as received by Approved bodies and the amounts and timing of the credit claims made by LFOs.

The 5.6% annual cap has to be applied cummulatively.

You can't anticipate your tax liability for the whole year when claiming credit during the year.

Example of credit claims during a contribution year 1

Contribution year: 1 April 2015 to 31 March 2016

Q1 tax liability : £48,000

Q2 tax liability : £50,500

Total tax liability for year to date = **£98,500.**

LFO wishes to makes a contribution of **£5,000** to an Approved Body at the end of Q2.

How much tax credit can he claim?

If your credit claim exceeds the maximum allowed we will disallow the excess and we may charge you interest and a penalty for the inaccuracy.

If you amend your return and more tax becomes payable, this increases your credit capacity for the year.

This does not enable you to increase a credit claim retrospectively unless you made the contribution before you submitted the original return and had not claimed credit for the full 90%.

Example of credit claims during a contribution year

- **SLfT liability Q1 + Q2 = £98,5000**
- **Maximum credit = 5.6% x £98,500 = £5,516**
- **Contribution = £5,000**
- **90% of contribution = £4,500**

90% of contribution is less than the maximum credit of £5,516 so the LFO can claim £4,500 credit for this contribution.

Timing of credit claim for SLCF Contributions

The contribution must be paid to the Approved Body **before** the SLfT return in which credit is claimed is submitted.

Paid = Received



SLCF - Contribution Periods

Period to make qualifying contributions			
01/04/2016	To	12/08/2016	Q1
01/07/2016	To	11/11/2016	Q2
01/10/2016	To	13/02/2017	Q3
01/01/2017	To	12/05/2017	Q4



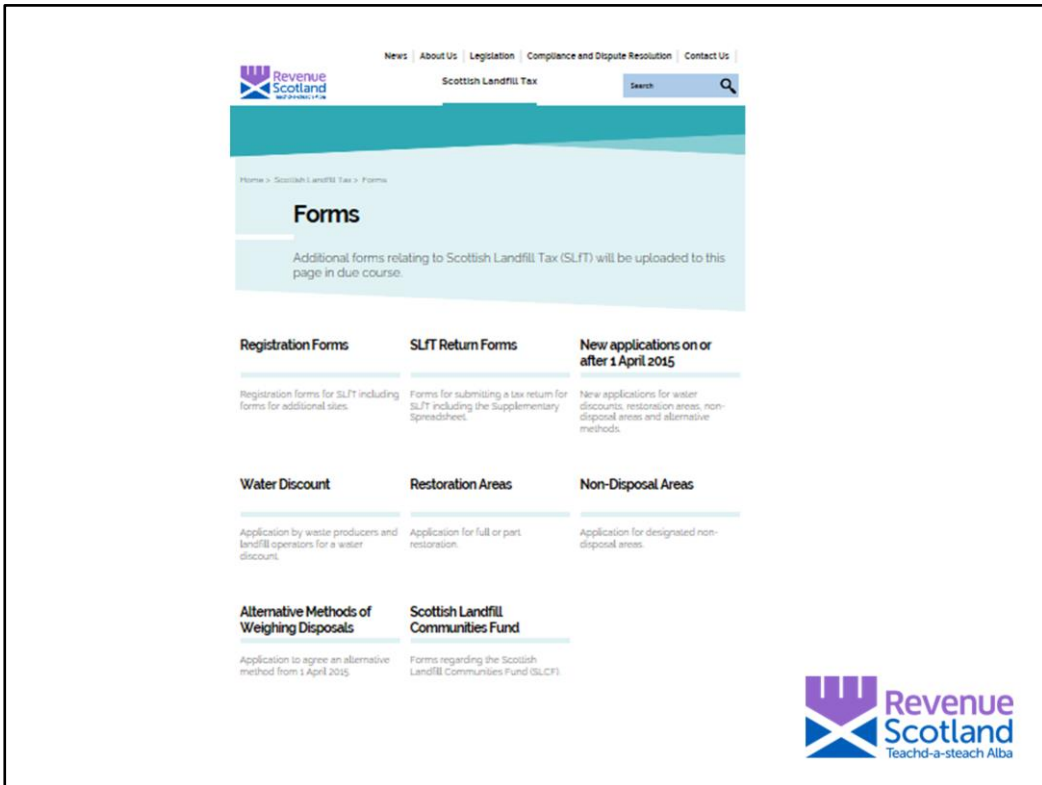
Timing of credit claim example

- Contribution = £5,000
- Credit claim = £4,500
- Q2 2015/16 latest filing date : 11/11/15
- Return filed 5/11/2015

Contribution must be received by AB no later than 5/11/2015

Notification of Activities





If you had any other agreements with HMRC that you want to continue you must notify us and get our agreement otherwise they are not authorised.

Visit our website for more information on agreements for these activities - <https://www.revenue.scot/scottish-landfill-tax/forms/new-applications>

Non-disposal areas (NDAs)

Material deposited in the area:	Material sorted or removed from the area:
Date deposited	date sorted or removed
Weight and description	weight and description
Intended destination or use	(in the case of removal) the actual destination it went to or use it was put to

Restoration



Restoration is not taxable provided that

- it is carried out in accordance with a “relevant instrument” (as defined in section 31 of the Landfill Tax (Scotland)2014 Act) and
- Revenue Scotland has been notified that restoration is to commence and
- any other information that Revenue Scotland requires has been provided.

Fines



Accepting the current uncertainty regarding the LOI there are some things that are certain; the material such as that pictured on this slide (left) is not qualifying material nor is it suitable for use for restoration purposes.

The material such as that pictures on the right hand side of this slide non-qualifying fines and is wholly chargeable at the higher rate

It is possible to generate qualifying fines from mixed waste sources but only using effective processes for example:

- The waste producer runs two separate lines, one for mixed waste from which the fines are not qualifying and are standard rated; and one for mainly qualifying waste with some non-qualifying material, from which the fines may be qualifying fines
- The waste producer produces fines through their treatment process from mixed waste sources but then subjects it to a further fines treatment process which can remove the majority of the non-qualifying material to leave qualifying fines
- However, if , as in the example shown on this slide, a waste producer shreds mixed municipal waste and subjects it to a basic treatment process, with no initial or further separation of non-qualifying material the waste would not be qualifying fines at this stage of processing.

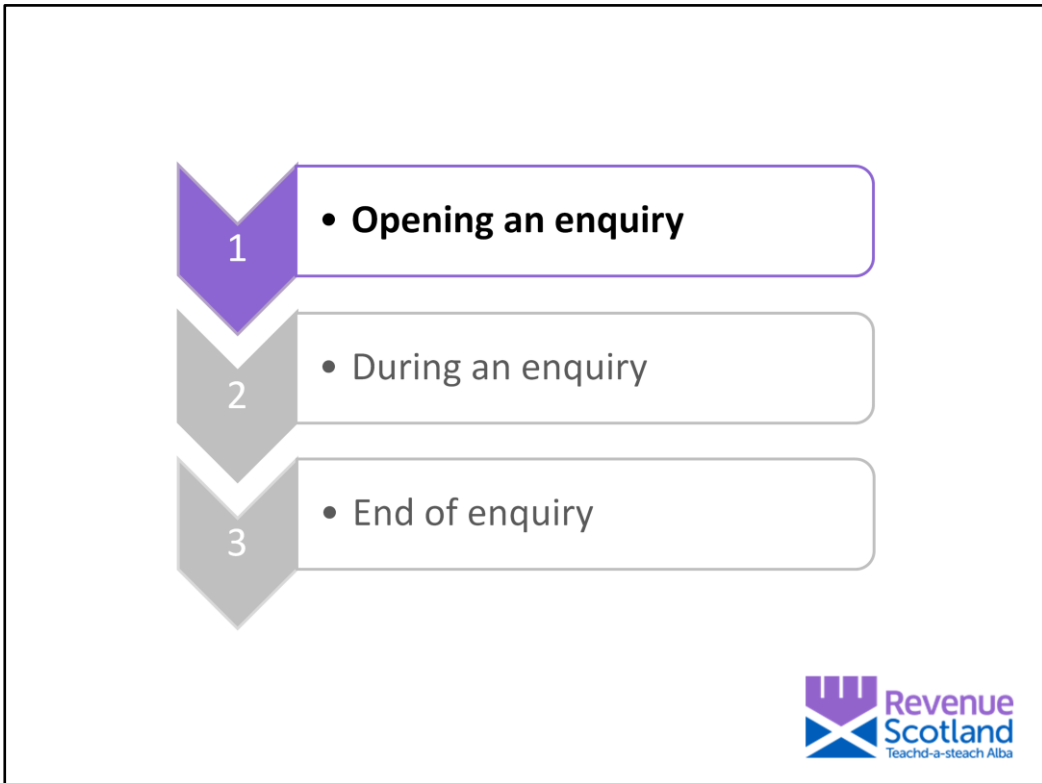
Q & A Session



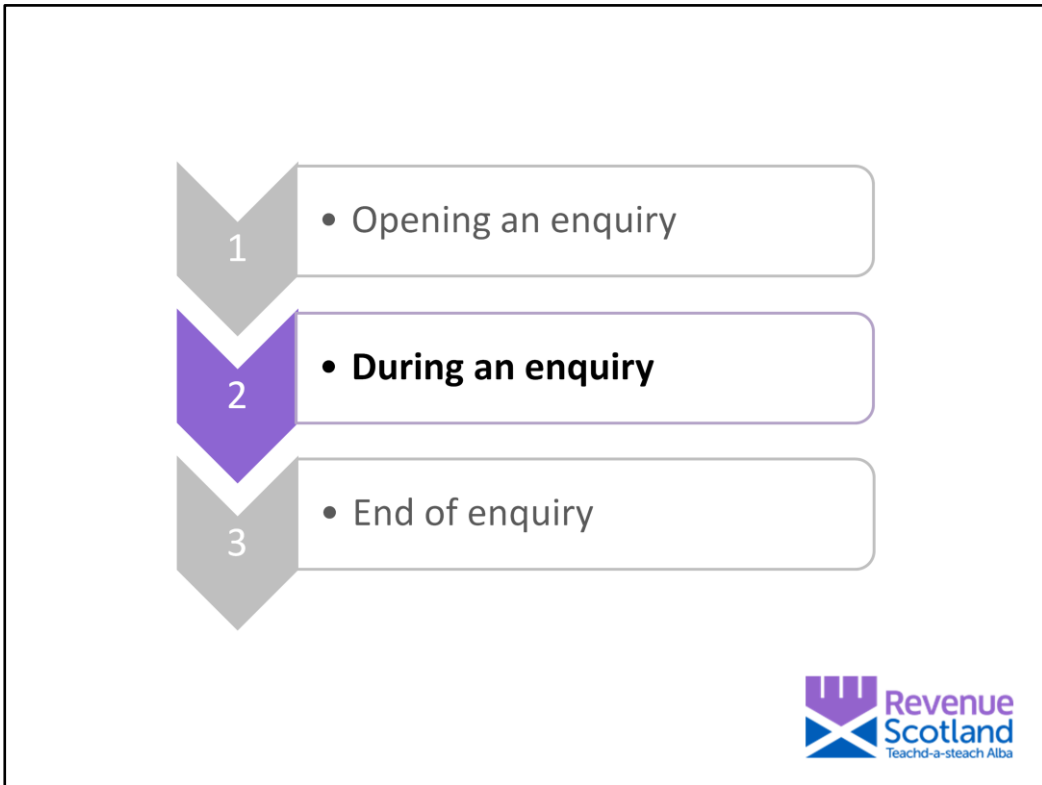
Enquiry Process

Robert Buchan, Senior Principle Tax Specialist



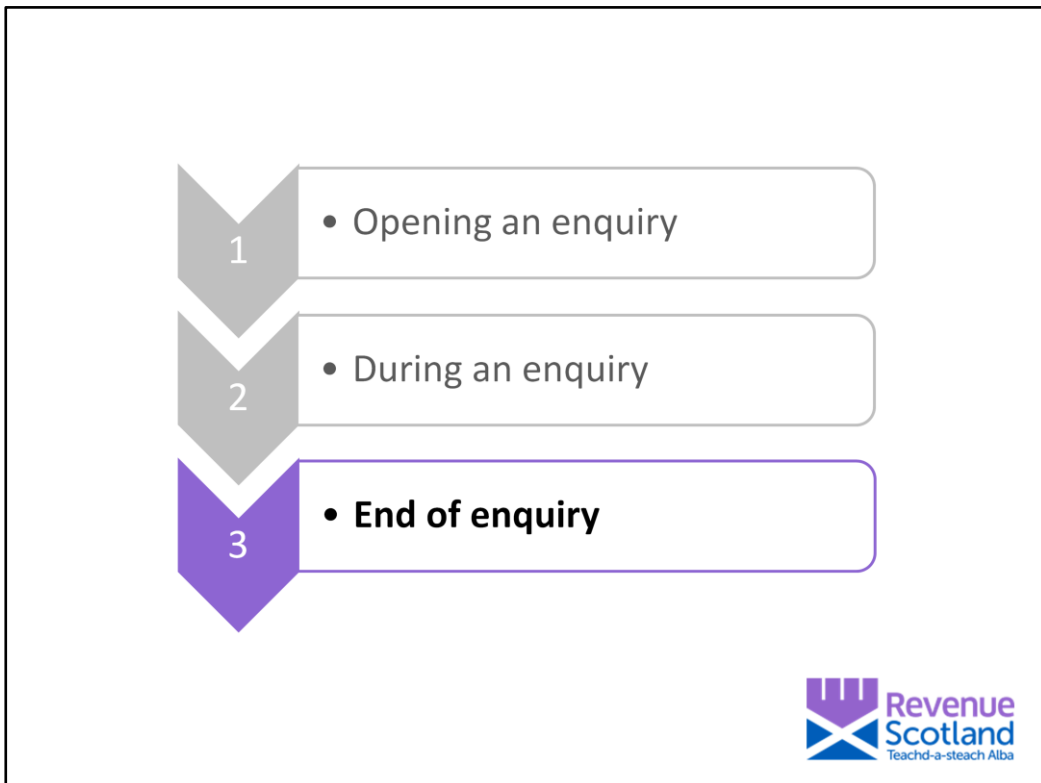


This does not necessarily mean there is a problem with your tax return or claim. Many checks are routine, such as where we need more information to understand the return, or are carried out on a random basis to ensure the integrity of the devolved tax regimes.



We will ask you to give us any information or documents that we may need during our enquiry. In some cases, we may also ask to visit your property or business premises.

If you are not sure why we are asking for something, please let us know and we will explain why we need it.



A closure notice must state that in our opinion, either:

- no amendment of your tax return is required; or
- an amendment is required (for example that not enough, or too much, tax has been paid).

An enquiry is completed either:

- when we inform and notify you (by means of a closure notice) that the enquiry is complete and state the conclusions we have reached in the enquiry; or Revenue Scotland Enquiry – Factsheet 09/15 3
- automatically if no closure notice has been given, and:
- three years after the filing date has passed; or
- if the return was made after the filing date, three years after the date on which you originally made the return has passed.

Charter of Standards and Values

To support Revenue Scotland and the tax payer in the fair and consistent collection of SLfT, the Charter of Standards and Values sets out the standards of behaviours and values that all parties should expect during tax dealings and visits. Further details on the Charter of Standards and Values can be found on our website [here](#).



Contact Us

How to contact Revenue Scotland to ask a question, report a problem or suggest an improvement.

SLfT enquiries

All SLfT enquiries should be submitted via our dedicated mailbox at slft@revenue.scot.

Contact details

For support desk queries, please call 03000 200 310.

Support desk is open Monday to Friday 9.00-16.00 (please note that lines will be closed from 9.00-10.00 every Thursday for staff training)

You can also write to us at:

Revenue Scotland, PO BOX 24068, Victoria Quay, Edinburgh, EH6 9BR

