SLfT1000 Scottish Landfill Tax Legislation Guidance

This Scottish Landfill Tax (SLfT) guidance is intended to supplement and clarify the detail contained in the Landfill Tax (Scotland) Act 2014 and supporting subordinate legislation.

The guidance is primarily for landfill site operators and their agents but will also be of interest to waste producers, others involved in the waste management industry and environmental bodies involved with the Scottish Landfill Communities Fund.

Nothing in this guidance changes any obligations a person may have under environmental or other legislative requirements.

The guidance is structured as follows:

- **Chapter 1: How the tax works – SLfT1001**
- **Chapter 2: Determining the amount of tax payable – SLfT2001**
- **Chapter 3: Determining whether tax is payable – SLfT3001**
- **Chapter 4: Registering for SLfT – SLfT4001**
- **Chapter 5: Payment of tax and making a SLfT return – SLfT5001**
- **Chapter 6: Credit – Bad Debt Relief; Recycling, Incineration or Re-use; Enforceable Removal – SLfT6001**
- **Chapter 7: The Scottish Landfill Communities Fund – SLfT7001**
- **Chapter 8: Keeping and preserving records – SLfT8001**

Separate guidance is also available covering:

- 'How to register for SLfT';
- 'How to make a SLfT return and pay tax' (note: there are two versions of this guidance – one for returns made online and one for returns made by paper);
- 'How to amend a SLfT return'; and
- The Revenue Scotland and Tax Powers Act 2014. That guidance, amongst other things, provides important information on our investigatory powers, penalties, interest, debt enforcement and dispute resolution arrangements.
(review, mediation and appeal). References to that guidance take the form ‘RSTPXYYY’ where X is the chapter reference and YYY is the unique guidance reference within that chapter.

All references in this guidance to:

- ‘LT(S)A 2014’ mean the [Landfill Tax (Scotland) Act 2014](https://www.legislation.gov.uk/)
- ‘SEPA’ mean the [Scottish Environment Protection Agency](https://www.legislation.gov.uk/)
- a ‘site operator’ mean the authorisation holder (the SEPA permit / licence holder) of the landfill site as described in [section 12(2) of LT(S)A 2014](https://www.legislation.gov.uk/)
- ‘SLCF’ mean the Scottish Landfill Communities Fund;
- ‘SLfT’ mean Scottish Landfill Tax;
- ‘we’, ‘us’ or ‘our’ mean Revenue Scotland. ‘We’, ‘us’ or ‘our’ also means the [Scottish Environment Protection Agency](https://www.legislation.gov.uk/) where SEPA is carrying out a function delegated to it by us under [section 4 of the RSTPA 2014](https://www.legislation.gov.uk/); and
- unless indicated to the contrary, 'you' or 'your' means the person liable to pay SLfT (the taxpayer, which will in most cases be the landfill site operator).

**Note:** All links to the [www.legislation.gov.uk](https://www.legislation.gov.uk/) website are provided for ease of reference but you should be aware that the content displayed may not always reflect the most up-to-date legislation and we therefore take no responsibility for your reliance on it.
SLfT1001 How the tax works

This chapter explains how SLfT works, including its purpose, what it applies to and who is liable to pay SLfT.

- **Overview of SLfT and what it applies to – SLfT1002**
- **Disposal of material as waste – SLfT1003**
- **Disposal by way of landfill – SLfT1004**
- **Disposal at a landfill site – SLfT1005**

- **Liability to pay SLfT – SLfT1006**
SLfT1002 Overview of SLfT and what it applies to

We are responsible for the collection and management of SLfT. SLfT is a tax on the disposal of waste to landfill in Scotland, whether or not an authorisation (see section 39 of the LT(S)A 2014) is in force. The taxation of disposals of waste to landfill at unauthorised landfill sites (that is, illegal dumping) is a key difference between SLfT and UK Landfill Tax.

SLfT is designed to encourage efforts to minimise the amount of waste produced and the use of non-landfill waste management options, which might include prevention, reduction, recovery or recycling.

SLfT applies to all taxable disposals made in Scotland on or after 1 April 2015. A disposal is a taxable disposal if:

- it is a disposal of material as waste (see SLfT1003);
- it is made by way of landfill (see SLfT1004); and
- it is made at a landfill site (see SLfT1005).

SLfT also applies to the prescribed landfill activities relating to use of material on site that are listed in The Scottish Landfill Tax (Prescribed Landfill Site Activities) Order 2014 and illustrated in SLfT3002 (subject to the site being covered by SLfT1005).

See SLfT3005 for guidance on disposals which are exempt from SLfT.

LT(S)A 2014 section 3

LT(S)A 2014 section 6
SLfT1003 Disposal of material as waste

A disposal of material is a disposal of it as waste if the person making the disposal does so with the intention of discarding the material. It does not matter if the material, either now or at some point in the future, may have a value or use by either the person making the disposal or another person. If the material is discarded then it is disposal of material as waste.

'Material' is defined in section 39 of the LT(S)A 2014 as meaning 'material of all kinds, including objects, substances and products of all kinds'.

Where a person makes a disposal on behalf of another person, either at their request or in pursuance of a contract, the person on whose behalf the disposal is made is treated as making the disposal.

LT(S)A 2014 section 4
SLfT1004 Disposal by way of landfill

Disposal of waste by way of landfill takes place where material is deposited:

- on the surface of the land;
- on a structure set into the surface of the land; or
- under the surface of the land (land includes land covered by water which is above the low water mark of ordinary spring tides).

Whether the material is placed in a container before it is deposited is irrelevant.

If the material is covered with earth or similar material straight away, or if it is deposited in a cavity such as a cavern or mine, this is still a disposal for the purposes of SLfT.

If material is deposited with a view to being covered at a later stage with earth (or similar material such as sand or rocks), the disposal is made when the material is deposited, not when it is covered.

A landfill site is generally a site designed and adapted for the disposal of waste. It includes any site:

- where disposals of material are made on or under the land;
- where an environmental authorisation is required for the disposals (whether actually held or not);
- which is used for more than a year for the temporary storage of waste prior to disposal, or where waste is stored as a general rule for a period of more than three years prior to recovery or treatment; or
- which is an internal waste disposal site (that is, a site where a producer of waste is carrying out its own waste disposal at the place of production).

A landfill site does not generally include:

- any facility where waste is unloaded in order to permit its preparation for further transport for recovery, treatment or disposal elsewhere;
- any site where waste is stored as a general rule for a period of less than three years prior to recovery or treatment; or
- any site where waste is stored prior to disposal for a period of less than one year.
A site operating under an exemption from Waste Management Licensing, which is complying with the exemption requirements, will not have a tax liability. However, there may be a tax liability for sites operating under a waste management exemption where the activity is not compliant with the terms of that exemption.

LT(S)A 2014 section 5
SLfT1005 Disposal at a landfill site

A site is relevant for the purposes of SLfT if there is, or should be, a requirement to have a licence, permit or authorisation to allow disposals in or on the land under:

- The Pollution Prevention and Control (Scotland) Regulations 2012 (as amended);
- The Landfill (Scotland) Regulations 2003 (as amended);
- Part II of the Environmental Protection Act 1990 (as amended); and
- Regulations made under section 18 of the Regulatory Reform (Scotland) Act 2014 (note: this section was commenced on 30 June 2014 but regulations have not yet been made).

Waste disposed of to landfill at an unauthorised landfill site (that is, illegal dumping) is a taxable disposal for the purposes of SLfT.

LT(S)A 2014 section 12
SLfT1006 Liability to pay SLfT

You are liable to pay SLfT on a taxable disposal if you are the permit or authorisation holder for a landfill site in Scotland. You will also be liable to pay SLfT on a taxable disposal if you should have had a permit or authorisation for the deposit. In other words, if you knowingly permit or carry out a disposal on an unauthorised site you will be liable to pay SLfT on that disposal.

If you operate a licensed or permitted landfill site in Scotland, any waste deposited in it, including waste which you have produced, will be liable to SLfT unless it is exempt from tax. This includes in-house sites where waste producers dispose of their own waste.

You must notify us of your intention to make taxable disposals and liability to be registered for tax within 30 days of first making taxable disposals, or forming the intention to make taxable disposals, whichever date is earlier (see SLfT4002).

Waste disposed of to landfill at an unauthorised landfill site (that is, illegal dumping) is a taxable disposal for the purposes of SLfT.

LT(S)A 2014 section 12
SLfT2001 Determining the amount of tax payable

This chapter of guidance will help you determine the amount of tax that you have to pay in relation to SLfT, including whether a disposal is chargeable at the standard rate or lower rate and rules regarding the calculation of the weight of waste. It mostly reflects the provisions of:

- The Scottish Landfill Tax (Qualifying Material) Order 2015;
- The Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2015; and

The chapter is structured as follows:

- **Tax rates - SLfT2002**
- **Qualifying material for the lower rate - SLfT2003**
- **Criteria for setting qualifying material – SLfT2004**
- **Evidence required for the lower rate – SLfT2005**
- **Qualifying materials containing a small amount of non-qualifying material – SLfT2006**
- **Calculating the weight of waste - SLfT2007**
  - Requirement to use a weighbridge to weigh waste – SLfT2008
  - Alternative methods of weighing waste – SLfT2009
  - Discounting for water content – SLfT2010
SLfT2002 Tax rates

SLfT is chargeable by weight and there are currently two rates for taxable disposals which are set out in The Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2015 and apply from 1 April 2015:

- the lower rate of £2.60 per tonne, which applies to those less polluting wastes listed in The Scottish Landfill Tax (Qualifying Material) Order 2015; and
- the standard rate of £82.60 per tonne, which applies to all other taxable waste.

Where the material disposed of consists entirely of non-qualifying material, the amount of tax charged on the taxable disposal is to be found by multiplying the standard rate by the weight in tonnes of the material disposed of.

\[
\text{tonnes of standard rate material disposed of} \times \text{£82.60} = \text{Tax chargeable £}
\]

Where the material disposed of consists entirely of qualifying material, the amount of tax charged is to be found by multiplying the lower rate by the weight in tonnes of the material disposed of. A load that comprises of more than one group of qualifying material is still qualifying material and will be chargeable at the lower rate.

\[
\text{tonnes of qualifying material disposed of} \times \text{£2.60} = \text{Tax chargeable £}
\]

Where a load being disposed of contains both standard-rated and lower-rated materials, tax is due on the whole load at the standard rate but see SLfT2006 for guidance in circumstances where a load wholly consists of qualifying materials apart from a small amount of standard-rated material.

\[
\text{tonnes of load containing both standard and lower-rated materials disposed of} \times \text{£82.60} = \text{Tax chargeable £}
\]
SLfT2003 Qualifying material for the lower rate

IMPORTANT NOTE: We will be issuing further guidance on making arrangements for loss on ignition testing for Groups 1 and 2 in the table below, for fine material produced through the process of screening waste.

The Scottish Landfill Tax (Qualifying Material) Order 2015, which outlines the qualifying material to which the lower rate of SLfT applies, is summarised in the table below. A load that comprises more than one group of qualifying material is still qualifying material and will be chargeable at the lower rate.

<table>
<thead>
<tr>
<th>Group</th>
<th>Description of material</th>
<th>Conditions</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rocks and soils</td>
<td>Naturally occurring – that is, the waste materials in the column to the right are formed by a natural process. Man-made materials such as soil substitutes or bricks (but see Group 2 below) are not naturally occurring. Mechanical processing such as crushing or sorting does not in itself affect the ‘naturally occurring’ status. Therefore waste containing only naturally occurring Group 1 materials that have been crushed or sorted are still ‘naturally occurring’. However, chemical or thermal processing does affect the ‘naturally occurring’ status (but minerals that have been processed or prepared may qualify for the lower rate under Group 3).</td>
<td>Group 1 comprises only: a) rock; b) clay; c) sand; d) gravel; e) sandstone; f) limestone; g) crushed stone; h) china clay; i) construction stone; j) stone from the demolition of buildings or structures; k) slate; l) sub-soil (but not top soil); m) silt; and n) dredgings.</td>
</tr>
<tr>
<td>Group</td>
<td>Description of material</td>
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<td>Notes</td>
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</table>
| 2     | Ceramic or concrete materials |            | Group 2 comprises only  
|       |                         |            | a) glass, including fritted enamel;  
|       |                         |            | b) ceramics, including bricks, bricks and mortar, tiles, clay ware, pottery, china and refractories; and  
|       |                         |            | c) concrete, including reinforced concrete, concrete blocks, breeze blocks and aircrete blocks.  
|       |                         |            | Group 2 does **not** include:  
|       |                         |            | a) glass fibre and glass-reinforced plastic; and  
<p>|       |                         |            | b) concrete plant washings. |</p>
<table>
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</tr>
</thead>
</table>
| 3     | Minerals                 | Processed or prepared | Group 3 comprises only:  
|       |                          |             | a) moulding sands, including used foundry sand;  
|       |                          |             | b) clays, including moulding clays and clay absorbents (including Fuller’s earth and bentonite);  
|       |                          |             | c) mineral absorbents;  
|       |                          |             | d) man-made mineral fibres, including glass fibres;  
|       |                          |             | e) silica;  
|       |                          |             | f) mica; and  
|       |                          |             | g) mineral abrasives.  
|       |                          |             | Group 3 does not include:  
|       |                          |             | a) moulding sands containing organic binders; and  
<p>|       |                          |             | b) man-made mineral fibres made from glass-reinforced plastic and asbestos. |</p>
<table>
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</table>
| 4     | Furnace slags           |            | Group 4 comprises only:  
|       |                         |            | a) vitrified wastes and residues from thermal processing of minerals where, in either case, the residue is both fused and insoluble; and  
|       |                         |            | b) slag from waste incineration. |
| 5     | Ash                     |            | Group 5 comprises only  
|       |                         |            | a) bottom ash and fly ash produced only from the combustion of wood, of waste, or of both; and  
|       |                         |            | b) bottom ash and fly ash from the combustion of coal, of petroleum coke or of both (including when burnt together with a biomass).  
<p>|       |                         |            | Group 5 does not include fly ash from sewage sludge, municipal, clinical and hazardous waste incinerators. |</p>
<table>
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<tbody>
<tr>
<td>6</td>
<td>Low activity inorganic compounds</td>
<td>Group 6 comprises only: a) calcium based reaction wastes from titanium dioxide production; b) calcium carbonate; c) magnesium carbonate; d) magnesium oxide; e) magnesium hydroxide; f) iron oxide; g) ferric hydroxide; h) aluminium oxide; i) aluminium hydroxide; and j) zirconium dioxide.</td>
<td></td>
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<tr>
<td>7</td>
<td>Calcium sulphate</td>
<td>Disposed of in landfills for non-hazardous waste in a cell where no biodegradable waste is accepted.</td>
<td>Group 7 includes: a) calcium sulphate; b) gypsum; and c) calcium sulphate-based plasters. Group 7 does not include plasterboard.</td>
</tr>
<tr>
<td>8</td>
<td>Calcium hydroxide and brine</td>
<td>Deposited in brine cavity.</td>
<td></td>
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</tbody>
</table>
SLfT2004 Criteria for setting qualifying material

In drawing up wastes to be listed in any legislation setting out qualifying material (as set out currently in The Scottish Landfill Tax (Qualifying Material) Order 2015), the Scottish Ministers will have regard to the criteria set out below.

Non-hazardous:

Wastes which are not ‘hazardous’ within the meaning of article 3.2 of the revised Waste Framework Directive (2008/98/EC), unless the material has no practical alternative waste management option and must be disposed of to landfill.

Low potential for greenhouse gas emissions:

Wastes which are not biodegradable, have a low organic content or do not break down under the anaerobic conditions that prevail in landfill sites to produce methane. These include inert waste within meaning of article 2(e) of the Landfill Directive (1999/31/EC); and waste with little or no organic content such as inorganic residues or completely combusted residues from the incineration of biodegradable/organic wastes.

Low polluting potential in the landfill environment:

- waste where the contaminants are unlikely to become mobile in the landfill and any leachate produced has little or no pollution potential;
- where the pollution potential of the waste is reduced if deposited alone in mono-fill landfill sites or within separate cells (not mixed with other wastes) within a landfill site;
- the engineering requirements for the landfill are lower than would be the case for a non-hazardous landfill (as laid out in the Landfill Directive) by virtue of a risk assessment agreed with the regulator; and
- the aftercare period and requirements are significantly lower than would normally be required for a non-hazardous waste landfill, based on a risk assessment agreed with the regulator.

LT(S)A 2014 section 13
SLfT2005 Evidence required for the lower rate

You must keep and provide sufficient evidence to substantiate applying the lower rate of tax to any particular disposal of waste. If sufficient evidence cannot be provided to demonstrate how the waste qualifies for the lower rate, the standard rate of tax will be payable.

The only determining factor as to whether waste is qualifying material chargeable at the lower rate of SLfT is whether it is listed in and complies with the criteria contained within The Scottish Landfill Tax (Qualifying Material) Order 2015 (the material listed in the Order reflect criteria that the Scottish Ministers have set in relation to determining what can be listed as qualifying material – see SLfT2004).

Whether or not waste is considered to be inert for environmental protection purposes is not relevant to matters of tax liability. Equally, the fact that waste is listed in the Order does not mean that the waste is inert for environmental protection purposes.

To qualify for the lower rate, the waste transfer note (which is required to accompany all movements of waste) must accurately record the composition of the load of waste, setting out specifically which qualifying materials are contained in the load so that it can be related to the terms used in the Order. The waste transfer note must accurately describe the waste for standard rate too.

The waste transfer note may cover individual loads or it may be a 'season ticket' covering a number of loads sent for disposal to a landfill site over a period of time.

If you operate an in-house landfill site and have applied the lower rate to waste which you have disposed of in that site, you will need to provide evidence (such as production records and testing analysis) to show that the waste qualifies for that rate.

The requirements relating to the waste transfer note described above are for tax purposes. They in no way override or affect any obligations in relation to the waste transfer note in environmental protection law, including the requirement to define the waste source by reference to the European Waste Catalogue codes.

Some waste streams may be sufficiently complex in nature that analysis may be required to demonstrate that they qualify for the lower rate of tax. For example, trommel fines (the residual materials left after processing activities are undertaken at waste transfer stations, waste recycling/treatment facilities or material recovery facilities) may need to be subjected to a loss on ignition test to demonstrate that the fines are sufficiently non-polluting to be taxed at the lower rate.

IMPORTANT NOTE: We will be issuing further guidance on making arrangements for loss on ignition testing for Groups 1 and 2 in The Scottish Landfill Tax (Qualifying Material) Order 2015, for fine material produced through the process of screening waste.

LT(S)A 2014 section 14
SLfT2006 Qualifying materials containing a small amount of contamination

IMPORTANT NOTE: We will be issuing further guidance in this area prior to 1 April 2015.

We may direct that material disposed of can be treated as qualifying material if it would so qualify but for the presence of a small amount of non-hazardous non-qualifying material.

We are aware that some waste streams, which may otherwise be liable for tax at the lower rate, may arise with small amounts of non-qualifying (or standard-rated) materials contained within them as contaminants. This includes trommel fines and contaminated soils, which generally contain a mixture of qualifying and non-qualifying materials, and which make the whole load liable for tax at the standard rate.

Where it is:

- unreasonable to have prevented this contamination at source;
- it is subsequently unreasonable, or there is no practical way, for these contaminants to be removed; and
- none of the contaminants are hazardous,

then the whole load may be taxable at the lower rate. Any load containing hazardous material as defined by Directive 2008/98/EC (see SLfT2004) must, however, be taxed at the standard rate.

Material of a standard taxable rate must not be added to material of a lower rate. For example, it must not have been deliberately or artificially blended or added to the qualifying material(s) after or in connection with removal from its originating site. Such an addition would make the entire load taxable at the standard rate. The only exception to this is when a standard-rated material needs to be used to contain the lower-rated waste.

In cases of doubt the waste will be taxed at the standard rate unless you can demonstrate that the waste qualifies for the lower rate of tax and that all reasonable and practical measures have been taken to remove contaminants contained within the waste.

The lower rate of tax may only be applied to a load containing a small amount of standard-rated material if the standard rate material was formed with the lower-rated waste at the same time, or it is used as necessary packaging and all reasonable and practical measures have been taken to prevent, reduce and remove the standard-rated material from the lower-rated material.
For example, we would accept the following as qualifying for the lower rate:

- a load of bricks, stone and concrete from the demolition of a building that has small pieces of wood in it and small quantities of plaster attached to bricks as it would have not been feasible for a contractor to separate them. (Note: large pieces of wood or plaster which could be removed by hand or other means would make the entire load taxable at the standard rate);

- a load of sub-soil that contains small quantities of grass. (Note: turfs of grass which could have been removed prior to the load of sub-soil being created would make the entire load taxable at the standard rate);

- waste such as mineral dust packaged in polythene bags for disposal; and

- a load of sub-soil and stone from street works containing small amounts of tarmac (Note: large pieces of tarmac which could be removed by hand or other means would make the entire load taxable at the standard rate).

It is not possible for us to advise you on every disposal. It is your responsibility to decide whether a particular load disposed of at your site contains any standard-rated material.

If it does contain such waste you need to satisfy yourself that the load contains:

- no hazardous waste; and

- only a small quantity of non-hazardous non-qualifying (or standard-rated) waste, which was formed with the lower-rated material and either could not be removed or is necessary for packaging reasons.

The difficulty in separating the standard-rated components from the lower-rated waste is a factor that you can take into account, but this cannot be used to justify applying the lower rate of tax if the standard-rated waste is hazardous or it is more than a small amount of the total load. You will need to justify your decisions to us.

LT(S)A 2014 section 14
SLfT2007 Calculating the weight of waste

As SLfT is calculated on the basis of the weight of material being disposed, stringent methodologies for weighing must be adopted to ensure consistency, openness and fairness.

Guidance on:

- the requirement to use a weighbridge is provided in SLfT2008;
- asking us to agree to an alternative method of weighing waste is provided in SLfT2009; and
- the circumstances under which the water content of waste can be discounted are provided in SLfT2010.

LT(S)A 2014 section 15
SLfT2008 Requirement to use a weighbridge to weigh waste

Sites with a working weighbridge

The basic method of calculating the weight of waste is by weighing it at the landfill site immediately prior to the time of disposal. If there is a working weighbridge at your landfill site, you **must** use it to weigh waste immediately prior to disposal.

Any weighbridges should be calibrated (in accordance with weights and measures legislation – see **The Weights and Measures Act 1985**) and maintained regularly to minimise breakdowns.

If you do not have a working weighbridge on your site, then one which is within close enough proximity (so as not to incur unreasonable extra cost) must be used instead (see below).

In exceptional circumstances you can ask us to agree an alternative method of calculating the weight - see **SLfT2009**.

Sites nearby with a working weighbridge

Where a working weighbridge on a nearby site is used, you must:

- notify us where your waste is being weighed by writing to us at the **contact address** on our website; and

- keep a clear audit trail of this activity, including:

  - a record of weights for each vehicle or container. Where vehicles go directly to the landfill site after being weighed, and the waste is not interfered with between weighing and disposal, this weight can be used to calculate your SLfT liability; and

  - a record of all waste brought onto your site(s), showing where the waste was weighed, the identifying number and type of vehicle/container, a description of the waste, and the date and time disposed at your site. You must also record and retain the weighbridge tickets.

**LT(S)A 2014 section 15**
**Regulation 36A of The Scottish Landfill Tax (Administration) Regulations 2015** (**Note:** This is currently draft legislation)

Penalty for failing to comply with weighbridge requirements

You may be liable to a penalty if you fail to weigh material in accordance with the weighbridge requirements above (unless you have our agreement to use an alternative method of weighing waste) - see **RSTP3021. Regulation 39 of The Scottish Landfill Tax (Administration) Regulations 2015** (**Note:** This is currently draft legislation)
SLfT2009 Alternative methods of weighing waste

You can ask us to agree an alternative method of calculating the weight of waste disposed of to landfill by following the separate guidance on our website, if:

- in our opinion you would incur unreasonable cost by using an available weighbridge on your site or one within close enough proximity; or

- your weighbridge or another weighbridge within close enough proximity has broken down and, in our opinion, you would incur unreasonable cost by using any other weighbridge.

(Note: application forms are only currently available for landfill operators with existing alternative agreements with HMRC. Further forms will be available before 1 April for landfill operators who do not currently have such an agreement with HMRC.)

We will only agree to an alternative method of weighing waste if we are satisfied that either of the above conditions are met and that the alternative method will produce a fair and reasonable calculation of weight. Once satisfied, we will agree in writing and state how long the agreement will run for.

You must notify us about any changes to your business practices which will affect the reliability of this method.

You must also notify (and then agree with) us if you wish to change from one agreed alternative method to another alternative method of weighing the waste. On occasions we may wish to have an independent check (for example, by test weighing loads) on the accuracy of the method used.

Penalty for failing to comply with weighbridge requirements

You may be liable to a penalty if you fail to weigh material in accordance with the alternative method of weighing waste that we have agreed with you - see RSTP3021.

Regulation 39 of The Scottish Landfill Tax (Administration) Regulations 2015
(Note: This is currently draft legislation)
**SLfT2010 Discounting for water content**

In certain circumstances, we can authorise a landfill operator to discount the water content of waste (but only where it is not present naturally) when calculating the taxable weight of the waste.

Naturally occurring water is any water that is present in the waste at the time of disposal that has not been added to the waste (or arisen in) any of the circumstances where a water discount applies described in the table below.

We would normally expect the waste producer to provide evidence to us of the amount of water that has been added to (or arisen in) the waste and remains in the waste at the time of disposal. The waste producer must nominate the sites that are to receive their waste and obtain the written agreement of the relevant site operators to apply the water discount. If we agree that a water discount may be applied we will write to the nominated sites informing them of the discount scheme and authorising them to apply the discount.

The circumstances under which a waste producer can and cannot apply for the water content of their waste product(s) to be discounted for SLfT purposes are set out in the table below.

<table>
<thead>
<tr>
<th>Circumstances where water discount applies</th>
<th>Circumstances where no water discount can apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>If <strong>water</strong> is present in the waste because:</td>
<td>If:</td>
</tr>
<tr>
<td>- it has been added to allow for transportation for disposal;</td>
<td>- water is present naturally in the waste;</td>
</tr>
<tr>
<td>- it has been used for the purpose of extracting any minerals; or</td>
<td>- water is present because of rain or snow;</td>
</tr>
<tr>
<td>- it has arisen, or been added, in the course of an industrial process;</td>
<td>- the amount of added water that is in the waste at the time of disposal is less than 25% of the waste, by weight, at the time of disposal;</td>
</tr>
<tr>
<td>and the water constitutes <strong>25%</strong> or more of the waste by weight at the time of disposal; and</td>
<td>- any of the material is capable of escaping from the landfill site by leaching. (This restriction does not apply if it is only likely to do so in the form of water or if the leachate is collected on site and treated in order to eliminate any potential it has to cause harm); or</td>
</tr>
<tr>
<td>you have demonstrated that the water content of your waste cannot readily be removed or reduced further.</td>
<td>- where the quantity of water</td>
</tr>
</tbody>
</table>
If:
- the waste material is the residue from the treatment of effluent or sewage by a water treatment works which contains water naturally; and
- additional water has been added to the waste prior to disposal.

- no additional water has been added to the waste prior to disposal; or
- water is present naturally in the waste; and
- where any water has been extracted prior to disposal, this will be deemed to be water that has been added, up to but not exceeding the quantity of water that has been added, and in preference to water present naturally in the material;
- where the quantity of water extracted exceeds the quantity of water added, the water which remains in the waste will be deemed to have been present naturally.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 38(5)-(9)

Applying to discount water

New applications from 1 April 2015

Guidance for both waste producers and landfill operators on how to make a new application to us to discount water for SLfT purposes (and where neither have an existing agreement with HMRC) will be available on our website before 1 April 2015.

HMRC agreement for discounting water for pre-1 April 2015 disposals

If either you or a waste producer has an existing agreement from HMRC for discounting water in respect of certain waste producers, this will no longer be valid for SLfT purposes for any waste disposed of to landfill in Scotland from 1 April 2015. Both you and the waste producer will respectively need a new authorisation and agreement with us. Further guidance on how to do this is available on our website.
SLfT3001 Determining whether tax is payable

This chapter of guidance will help you determine whether or not SLfT applies to certain activities, including whether those activities do or do not constitute a taxable disposal (see SLfT1002).

The guidance is structured as follows:

- **Landfill site activities prescribed as being subject to tax - SLfT3002**
- **Restoration - SLfT3003**
- **Notification about restoration - SLfT3004**
- **Exemptions - SLfT3005**
  - Dredgings – material removed from water – SLfT3006
  - Mining and quarrying waste – SLfT3007
  - Pet cemeteries – SLfT3008
  - Filling of quarries – SLfT3009
  - Exemption Certificates – clearing up unauthorised disposals – SLfT3010
- **Non-disposal areas – SLfT3011**
SLfT3002 Landfill site activities prescribed as being subject to tax

In addition to the taxable disposals covered in SLfT1002, SLfT also applies to certain activities relating to the use of materials on a landfill site. These activities are set out in The Scottish Landfill Tax (Prescribed Landfill Site Activities) Order 2014 and are referred to as ‘prescribed activities’.

Descriptions of the prescribed activities are set out in column 2 of the following table. Column 3 provides further detail about what activities are taxable and column 4 sets out related activities that are not taxable.

While no tax is due on waste which is subject to processing or sorting in the non-disposal area of a landfill site prior to the waste being subject to recovery, tax will be due if the site operator does not supply us with the information described in the guidance on requirements for non-disposals (see SLfT3011).
### Table of prescribed landfill activities

<table>
<thead>
<tr>
<th>Activity Number</th>
<th>Description</th>
<th>What is taxable</th>
<th>What is not taxable</th>
</tr>
</thead>
</table>
| A               | The use of material to cover the disposal area during a short-term cessation in landfill disposal activity. This placing of material may be described as ‘daily cover’. The disposal area, usually the landfill void, is any area where disposals of material as waste and by way of landfill take place (see SLfT1003 and SLfT1004 respectively). | The placing of any material on the disposal area for mainly health or environmental reasons (such as reducing nuisance and disturbance by vermin, birds or insects) as opposed to for engineering reasons (such as the exclusion of water). | The use of mineral material, including clay:  
- as a permanent cap or geological barrier on the bottom or sides of a disposal area; and  
- as a permanent cap on the top of the disposal area on completion of landfill operations (an engineered layer used to stop ingress of water into the finished landfill).  
The use of material that meets all the conditions of one of the SLfT exemptions – see SLfT3005. |
| B               | The use of material to create or maintain a temporary haul road. | The use of material for the construction or maintenance of roads, either within the disposal area or adjacent to it. Such roads do not have engineered features (which may include kerbs or drains) and may be made from crushed or re-used materials, such as concrete or tarmac and may be eventually subsumed into the landfill site. | The use of material for construction or maintenance of permanent site roads. These have engineered features (which may include kerbs or drains) and have a surface that is prepared and/or finished. Permanent site roads are likely to have been constructed prior to the start of tipping operations on the site.  
The use of material that meets all the conditions of one of the SLfT exemptions – see SLfT3005. |
<table>
<thead>
<tr>
<th>Activity Number</th>
<th>Description</th>
<th>What is taxable</th>
<th>What is not taxable</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>The use of material to create or maintain temporary hard standing.</td>
<td>The use of material for the construction or maintenance of a base on which activities such as waste recycling or treatment take place. Such bases do not have engineered features (which may include sealed drainage) and may be made from crushed or re-used materials, such as concrete or tarmac and may be eventually subsumed into the landfill site.</td>
<td>The use of material for construction or maintenance of permanent hard standing. These have engineered features (which may include sealed drainage) and have a surface that is prepared and/or finished. Permanent hard standing is likely to have been constructed prior to the start of tipping operations on the site. The use of material that meets all the conditions of one of the SLfT exemptions – see SLfT3005.</td>
</tr>
<tr>
<td>D</td>
<td>The use of material to create or maintain a cell bund.</td>
<td>The use of material to form a structure within the disposal area to separate units of waste, for example, to identify the operational area.</td>
<td>The use of mineral material, including clay, to form separate cells on the edge of the landfill as part of the engineered containment. The use of material that meets all the conditions of one of the SLfT exemptions – see SLfT3005.</td>
</tr>
<tr>
<td>Activity Number</td>
<td>Description</td>
<td>What is taxable</td>
<td>What is not taxable</td>
</tr>
<tr>
<td>----------------</td>
<td>-------------</td>
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</tr>
<tr>
<td>E</td>
<td>The use of material to create or maintain a temporary screening bund.</td>
<td>The use of any material to create or maintain a structure, either below or above ground, with the purpose of reducing the visual or noise impact of discrete activities on a landfill site, where those activities will cease, while the wider site continues to operate.</td>
<td>The use of material to create or maintain a structure that performs a function in relation to the landfill site as a whole. It is likely that this will be in place during the entire period of operation of the site as a whole. Naturally occurring material derived from the site it is used at, when used to create or maintain a temporary screening bund. The use of material that meets all the conditions of one of the SLfT exemptions – see SLfT3005.</td>
</tr>
<tr>
<td>F</td>
<td>The temporary storage of ashes (including pulverised fuel ash and furnace bottom ash).</td>
<td>The storage of ashes from power generation in a facility, such as a lagoon, designed so that the ashes can be retrieved for use or for permanent disposal.</td>
<td>The use of material that meets all the conditions of one of the SLfT exemptions – see SLfT3005.</td>
</tr>
<tr>
<td>G</td>
<td>The use of material placed against the drainage layer or liner of the disposal area to prevent damage to that layer or liner.</td>
<td>The placing of soft material, for example household waste, to prevent damage to the drainage layer/blanket or the liner. Such material may have been sorted/processed to remove sharp or hard objects.</td>
<td>The use of material that meets all the conditions of one of the SLfT exemptions – see SLfT3005.</td>
</tr>
<tr>
<td>Activity Number</td>
<td>Description</td>
<td>What is taxable</td>
<td>What is not taxable</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------</td>
<td>-----------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>H</td>
<td>The restoration of a landfill site.</td>
<td>The use of material (including site-derived material) for site restoration purposes if you fail to notify us in writing of the intention to commence restoration or if the material is not deposited in the pre-notified restoration area (see SLfT3003).</td>
<td>The use of material, including site-derived material, for site restoration purposes (and that consists of no more material than is reasonably required to achieve the restoration purposes) but only if you notify us in writing of the intention to commence restoration (see SLfT3004) and the material is deposited in the pre-notified restoration area (see SLfT3003). The use of material that meets all the conditions of one of the SLfT exemptions – see SLfT3005.</td>
</tr>
</tbody>
</table>

For activities A to E and G, tax is due regardless of whether the material was bought for the purpose or was otherwise obtained.

If material is used for the above activities and has previously been the subject of a taxable disposal, tax is due only on the material that has not been taxed. For example, of material used to cover waste, if 40% of the material has been taxed before and 60% is new material, tax is only due on the 60%.

This is not the case if the tax on a disposal has already been paid by another operator and the disposal was then subsequently moved. In this case, the tax would be payable again.

Where material is taxable because it has been subjected to a landfill site activity which is temporary (activities B, C and E in the table above) and that material is subsequently put to a non-taxable use (but not on a landfill site except when reusing it as restoration material), credit may apply (see SLfT6010).

LT(S)A 2014 section 6
LT(S)A 2014 section 12
LT(S)A 2014 section 31
**SLfT3003 Restoration**

Restoration is any work that the planning consent, permit or authorisation requires to be carried out after waste disposal operations cease. The purpose of the works is to restore the site or a part of the site to a condition suitable for non-landfill use.

Restoration is **not** taxable **providing** it is carried out in accordance with an agreed restoration plan and it consists of no more material than is reasonably required to achieve the restoration purpose.

Restoration plans are required by environmental and planning legislation. Any waste deposited contrary to the agreed restoration plan (such as different waste type, amount or location) is unauthorised in terms of complying with the restoration plan and is therefore likely to be taxable.

The deposit of waste on a landfill site for the purposes of restoration will not be taxable providing:

- you notify us of the intention to commence restoration of the whole or a part of the site and provide the required information (see SLfT3004);
- the restoration work takes place after notification has been given and the information has been provided;
- the material is deposited on an area of the site which has been notified as being restored and is used in that area for restoration; and
- no more than the agreed volume/tonnage of waste is used in the restoration. Any waste used more than that agreed as necessary for restoration is likely to be taxable.

**LT(S)A 2014 section 31**
SLfT3004 Notification about restoration

Before starting any restoration, once you are registered with us you must notify us of your intention to commence restoration. Any restoration works carried out before we receive your notification may be taxable.

HMRC agreement for site restoration for pre-1 April 2015 disposals

If you have an existing agreement from HMRC for site restoration works (whether full or partial site restoration), this will no longer be valid for SLfT purposes for any waste deposits taking place for restoration purposes on the relevant site on or after 1 April 2015.

You must inform us if you intend to continue to deposit waste on a landfill site for the purposes of restoration from 1 April 2015. Further guidance on how to do this is available on our website.

Notifying us about new restoration works from 1 April 2015

Guidance for landfill operators on how to notify us about new restoration works (whether full or partial site restoration) taking place on or after 1 April 2015 (and where there is no existing agreement with HMRC) will be available on our website before 1 April 2015.

What happens once you have notified us

We will acknowledge your notification, but this will not imply acceptance that the material is not taxable. You are responsible for deciding whether any particular deposit of material qualifies as not being taxable and you must retain such evidence as is necessary to satisfy us that it was not taxable.

For new site restoration notifications only, a copy of the restoration plan agreed by SEPA (as part of the site’s environmental requirements) must be included in your restoration notification. Unless already contained in the agreed restoration plan, the following information must also be provided:

- your SLfT registration number;
- your registered name and address and the name, address and permit/authorisation number of the landfill site to which the notification relates (separate notifications for each site);
- whether the notification is for full or part restoration of the site;
- evidence to demonstrate that you are required to restore this landfill site, such as a copy of the planning consent specifying the requirement to restore;
- a scaled drawing or plan of the area(s) under restoration;
• cross section drawings specifying maximum depths of restoration material to be applied;

• an estimate of the total tonnage of material needed to restore the area(s) included in your notification. You should deduct from this total any material on site that you have retained for this restoration and provide full details of how you have calculated the weight of the total of site restoration material. This applies to any non-temporary restoration of a site;

• evidence to demonstrate why you require the notified tonnage. Such evidence could include:
  ○ a permit/authorisation management plan;
  ○ a plan of the area subject to this notification; and
  ○ correspondence with the environmental regulator, and extracts from any tender/restoration contract;

• the date you expect to commence restoration (notification should not be made more than six months prior to commencement); and

• an estimate of the timescale of this restoration project.

LT(S)A 2014 section 31
SLfT3005 Exemptions

The following links provide guidance on activities or areas which, subject in some cases to certain conditions, are not taxable disposals and are therefore exempt from SLfT.

- Dredgings – material removed from water – SLfT3006
- Mining and quarrying waste – SLfT3007
- Pet cemeteries – SLfT3008
- Filling of quarries – SLfT3009
- Exemption Certificates – clearing up unauthorised disposals – SLfT3010
SLfT3006 Dredgings – material removed from water

Natural or artificial materials removed from a river, canal or watercourse or from a
dock or harbour by dredging in one of the circumstances listed below, and then
disposed of to landfill as waste, are exempt from SLfT.

The circumstances under which dredging material qualifies for the exemption are
where:

- material is removed by dredging or otherwise and later disposed of to landfill,
  and that material formed part of the bed of the water or projected from the bed
  prior to removal (including the banks) and has been dredged from:
  - a river, canal, watercourse (see below), dock or harbour (whether natural or
    artificial); or
  - the approaches to a harbour and removed in the interests of navigation.

To qualify as a watercourse it must be possible to show that a body of water
has a:

- natural source of surface or underground water;
- flow, under the action of gravity;
- reasonably well-defined channel of bed and banks; and
- meeting point with another watercourse or tidal waters;

or

- naturally occurring material is extracted from the seabed as part of a
  commercial operation to obtain substances such as sand and gravel. Any
  naturally occurring substances which result from this operation that are then
  disposed of to landfill will qualify for the exemption.

The exemption only applies to the disposals of waste where we are satisfied that:

- only material removed from the bed of the water (including the banks) is
  deposited; and

- other material has been added to it in order to ensure that it is no longer liquid
  waste.
Liquid waste is:

- any waste that immediately flows into a space made in its surface; or
- any waste load containing more than 250 litres of free-draining liquid or 10% of the load volume, whichever is the lesser amount. 'Free draining' means a liquid as defined in the bullet point immediately above, whether or not it is in a container.

Any additive used must have dehydrating properties or bind the excess moisture content within the waste and, in either case, produce a material that is not liquid waste. Additives such as sand and sawdust absorb liquid temporarily but release it again as waste is compressed within the landfill. These additives are not acceptable for the purposes of the exemption.

The use of additives for this exemption does not absolve waste producers and landfill site operators from fulfilling their obligations incurred under environmental regulations. If you have any doubts about those obligations, you should seek advice from SEPA.

You do not need a certificate from us to apply this exemption but you should keep documents that show the source of the waste and, where relevant, the nature and effect of the treatment it has undergone. Tax will be payable on any waste where you cannot demonstrate that you met the requirements of the exemption.

If you fail to keep and preserve records in relation to this exemption as required (see SLfT8001) then you may be liable to a penalty (see RSTP3002).

**LT(S)A 2014 section 7**
SLfT3007 Mining and quarrying waste

Waste arising from mining and quarrying operations and disposed of to landfill is exempt from SLfT provided it meets all the following conditions:

- the waste results from commercial (deep or open-cast) mining operations or quarrying operations. This includes the re-working of tailings to extract further minerals;

- the waste must not, either as part of the mining or quarrying operations or separately, have been subject to a process which permanently alters the material’s chemical composition;

- the waste is naturally occurring material extracted from the earth in the course of these operations; and

- the waste has not been subjected to or resulted from a process separate from the mining/quarrying operation. The exemption can apply to waste arising from winning the primary material from the spoil, but it does not apply to waste arising from the working of minerals from mines/quarries.

All commercial documents must be kept showing the source of the waste. Tax will be payable on any waste where you cannot demonstrate that the requirements of the exemption have been met.

If you fail to keep and preserve records in relation to this exemption as required (see SLfT8001) then you may be liable to a penalty (see RSTP3002).

LT(S)A 2014 section 8
SLfT3008 Pet cemeteries

Pet cemeteries may be treated as landfill sites under environmental law. However, burials of dead pets at such sites are not taxable. To qualify for exemption the site must be used solely for the burial of dead domestic pets. In these circumstances the operator of the site is not required to register with us for SLfT.

LT(S)A 2014 section 10
SLfT3009 Filling of quarries

Conditions for qualification of exemption

Lower-rated waste which is used for the purposes of filling existing or former quarries may qualify for exemption.

The conditions that must be met in order for the disposal of the waste to qualify for exemption are:

- the waste disposed of consists only of material listed in The Scottish Landfill Tax (Qualifying Material) Order 2015 (see SLfT2003 for a summary of this Order; see also SLfT2006 for guidance on instances where the qualifying material contains a small amount of non-hazardous contamination);

- the disposal takes place at a quarry;

- there is planning consent in place to fill (or partially fill) the quarry; and

- the permit or authorisation allows only the disposal of qualifying material.

Definition of a quarry

We depend on common usage of the term quarry. For example, regulation 3 of the Quarries Regulations 1999 defines a quarry as:

'an excavation or system of excavations made for the purpose of, or in connection with, the extraction of minerals (whether in their natural state or in solution or suspension) or products of minerals, being neither a mine nor merely a well or borehole or a well and borehole combined'.

We therefore see the term quarry as also applying to sand, gravel and clay pits and to other surface mineral workings.

'Old quarries'

Where:

- a quarry was in existence before 1 October 1999;

- quarrying operations ceased before then; and

- there is no planning consent in place either on or before 1 October 1999 to fill the quarry, it will not qualify for the exemption.
Variation of licence or permit to comply with the exemption

Many quarries taking only lower-rated material may still have authorisations for the disposal of other wastes. If you want to benefit from this exemption, you must apply to SEPA to vary your permit to remove the authorisation to take waste and to only allow you to accept qualifying material. Once your application has been received by SEPA, you may claim the exemption until your application is resolved.

Disposals of material that were exempt from tax during the period between making the application to vary the permit and its resolution (or the two year period from the making of the application if that is the shorter period) remain exempt even if the application is unsuccessful. However, any disposals of material at the site after the end of that period will not qualify for exemption unless the application was granted.

Where an application is not resolved within two years, but is ultimately granted, disposals made during the period between the end of the two years and the date on which the application is granted will not qualify for exemption.

An application for variation of an authorisation is resolved if it is:

- granted;
- withdrawn;
- refused and there is no right of appeal against the refusal;
- a time limit for appeal against refusal expires without an appeal having been commenced; or
- an appeal against refusal is dismissed or withdrawn and there is no further right of appeal.

LT(S)A 2014 section 9
SLfT3010 Exemption Certificates – clearing up unauthorised disposals

The Scottish Ministers have proposed secondary legislation (The Scottish Landfill Tax (Exemption Certificates) Order 2015 note: this is currently draft legislation) which, if passed by the Scottish Parliament, would provide us with the ability to provide local authorities, SEPA and other authorities that exercise removal powers in The Environmental Protection Act 1990 (and similar legislation) with an exemption for any SLfT liability that may arise from the clear-up of a site following an unauthorised disposal (for example in the cases of illegal dumping and fly tipping).

Further guidance will be provided here if the above legislation is passed by the Scottish Parliament providing for this exemption.
**SLfT3011 Non-disposal areas**

**Definition of a non-disposal area**

We need to be able to distinguish between those activities on a landfill site that constitute a taxable disposal and those that are non-taxable uses of waste. To help us to do this, we require that non-taxable uses of waste take place in a designated area of your site, known as a non-disposal area.

We recommend that you contact SEPA to ensure that any changes you propose to make to your site, or the running of it as a result of the introduction of a non-disposal area, are acceptable under the terms of your permit or authorisation. You may also require planning permission.

**Designating an area as a non-disposal area**

‘Information area’ for pre-1 April 2015 disposals

If HMRC required you to designate one (or more than one) area of a landfill site as an information area for pre-1 April 2015 disposals, and you intend to deposit waste in this area from 1 April 2015, then you must notify us.

From 1 April 2015 these information areas will be known as non-disposal areas for the purposes of SLfT. If you operate a non-disposal area without notifying us, then you may be liable to pay SLfT on materials deposited in and/or removed from this area from 1 April 2015. [Further guidance on how to notify us is available on our website.](#)

Notifying us about a new non-disposal area from 1 April 2015

Guidance for landfill operators on how to notify us regarding a new non-disposal area on or after 1 April 2015 (and where there is no existing approval from HMRC) will be available on our website before 1 April 2015.
We welcome discussion either at, or prior to, the time at which you wish to set up a non-disposal area, or at any point during the operation of the non-disposal area.

We can require you to designate more than one non-disposal area (to allow storage of different types of waste or different activities such as sorting and recycling). We can also require you to use a non-disposal area for one particular use or for a number of uses. In these situations we will require you to identify clearly the quantities and type of material which relate to the different uses.

In requiring you to designate a non-disposal area we will ask you to:

- identify the landfill site concerned;
- specify the date on which the non-disposal area comes into operation;
- specify the uses to which material temporarily deposited in the area(s) is to be put;
- specify the types of material to be deposited in the area(s); and
- set the boundaries of the area(s).

**Boundaries of a non-disposal area**

We will not require you to fence off the non-disposal area, but it must be clearly identifiable within your site. For example, boundary markers, site roads, buildings or landscape features may help you to identify the area. More than one non-disposal area may be required on a site. Your non-disposal area(s) should be clearly identified on a plan of the site, included in your Permit Management Plan.

You may also wish to change the boundaries of the non-disposal area periodically as your landfilling operations progress. Providing the non-taxable material is clearly identifiable we would not normally object to this, but you will require our prior written approval.

**Weighing waste for a non-disposal area**

To operate a non-disposal area you will need to weigh all materials being deposited in and removed from the area. If you have a weighbridge we would expect you to use it to weigh all materials going into the non-disposal and all materials removed from the area and used for a non-taxable purpose. If you do not have or cannot use a weighbridge to weigh these materials, you may use an agreed method or propose an alternative method for our approval.

The removal of materials from a non-disposal area to dispose of them to landfill as waste is a taxable activity. You must therefore use a weighbridge to weigh these materials (see SLfT2008).
Non-disposal area record

If you operate a non-disposal area you will need to keep a non-disposal area record. The record must clearly identify the quantities and type of material which relate to different uses that you carry out. The record must include the following details for each time material is deposited in, or removed from, the area:

<table>
<thead>
<tr>
<th>Material deposited in the area:</th>
<th>Material sorted or removed from the area:</th>
</tr>
</thead>
<tbody>
<tr>
<td>date deposited</td>
<td>date sorted or removed</td>
</tr>
<tr>
<td>weight and description</td>
<td>weight and description</td>
</tr>
<tr>
<td>intended destination or use</td>
<td>(in the case of removal) the actual destination it went to or use it was put to</td>
</tr>
</tbody>
</table>

Where bulk waste is stored in the non-disposal area and the earliest stored waste is inaccessible or unidentifiable we will treat removals from the area as movements of that earliest stored waste.

If you fail to keep and preserve records in relation to this exemption as required (see SLfT8001) then you may be liable to a penalty (see RSTP3002).

Breach of terms of the non-disposal area

If a non-disposal area is not designated when required or the requirements associated with such an area are not met, particularly the maintenance of records and provision of this information if requested, the uses of waste in question will be treated as a taxable disposal and tax will be due.

LT(S)A 2014 section 30

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 12
SLfT4001 Registering for SLfT

This chapter of guidance, mostly reflecting the provisions of Part 2 of The Scottish Landfill Tax (Administration) Regulations 2015 and sections 21 to 24 of the LT(S)A 2014, covers the rules regarding registration for SLfT.

Separate guidance is available on 'How to register for SLfT'.

The guidance is structured as follows:

- **Who has to be registered for SLfT – SLfT4002**
- **How to register – SLfT4003**
- **Transfer of a business as a going concern – SLfT4004**
- **Applying for group treatment for registration - SLfT4005**
- **Registering a company in divisions - SLfT4006**
- **Representation of an unincorporated body – SLfT4007**
- **Notifying us about inaccuracies and changes to your registration, including de-registering for tax - SLfT4008**
- **Publication of the SLfT register - SLfT4009**
SLfT4002 Who has to be registered for SLfT

If you are a landfill site operator and after 15 February 2015 you are, or have the intention of, carrying out taxable disposals (see SLfT1002) in relation to SLfT then you are liable to be registered with us.

You must notify us of your liability to be registered within 30 days of the earliest date after 15 February 2015 on which you either form (or continue to have) the intention to carry out taxable activities. If you fail to notify us on time you may be liable to a penalty – see RSTP3019.

This requirement applies even if you, as a permit or authorisation holder, allow the site to be operated by someone else. We cannot register a site operator who is not the permit holder. There is no de minimus registration threshold for SLfT.

If you are the permit holder for more than one landfill site you must account for tax under a single registration.

The registered person can be:

- a sole proprietor. The sole proprietor is liable for all their obligations and liabilities in relation to SLfT, including telling us about any liability to be registered;

- a partnership. Each partner is liable for all the obligations and liabilities of the partnership in relation to SLfT, including telling us about any liability to be registered; and

- a group of companies. In certain circumstances:
  - associated companies can apply for group treatment - this will enable a group of companies to account for SLfT under a single registration; or
  - a company can apply for divisional registration - this will enable its divisions to account for tax under separate registrations.

LT(S)A 2014 section 22

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 3
SLfT4003 How to register

We have provided separate guidance on 'How to register for SLfT', which tells you how to notify us of your intentions and your liability to be registered for SLfT.

You can notify us of your liability to be registered either electronically or by post. Once we have processed your application we will send you your unique SLfT registration number and confirm the date from which your registration takes effect.

**Please note:** This cannot be earlier than 1 April 2015 and will be the first date on or after 1 April 2015 that you intend to make taxable disposals.

We will publish the register of landfill operators on our website and we will maintain and update the published register on a regular basis. You should check the register to ensure that all your registration details are correct. If they are not or they change, you must notify us about any inaccuracies or changes- see SLfT4008.
SLfT4004 Transfer of a business as a going concern

If you (the transferee):

- acquire a SLfT-registered business as a going concern from another person or entity (the transferor);
- we have not already cancelled the registration of the transferor; and
- as a result of the transfer of the business, the registration of the transferor is to be cancelled and you have become liable to be registered,

then both you and the transferor can jointly apply to have the transferor’s registration cancelled and for you to be registered with the same registration number previously allocated to the transferor, both from the date of the transfer. It will not be possible to do this if the transferor continues to trade as a SLfT-registered business.

We will notify you if the transfer of the number has been allowed.

If a joint application is made then the transferor does not need to notify us about ceasing to have the intention to carry out taxable activities in order to de-register for tax (see SLfT4008).

If a joint application is not made, then the transferor will need to de-register for tax and you will need to separately notify us in order to register for tax (see SLfT4002).

Liabilities and entitlements if the transferee is allocated the same registration number as the transferor held

If you have been allocated the same registration number as was previously held by the transferor, then you will become:

- responsible for all existing liabilities of the transferor to make a SLfT return and pay tax; and
- entitled to any credits due to the previous owner.

If you were allocated the same registration number during an accounting period subsequent to that in which the transfer took place, then any:

- return that has been made;
- tax that has been accounted for; or
- entitlement to credit that has been claimed,

by either you or the transferor is treated as having been done by you.
Entitlement to credit for waste later recycled, incinerated, re-used or enforceably removed where transfer of a going concern occurs

Irrespective of whether or not you have been allocated the same registration number as the transferor previously held, where:

- a business is transferred as a going concern;
- you remove material which was temporarily disposed of as landfill waste but is now being recycled, incinerated, re-used or enforceably removed and is in accordance with regulations 17(2) or 17(4) of The Scottish Landfill Tax (Administration) Regulations 2015 (see SLFT6008); and
- the transferor has paid tax on the disposal concerned,

then any entitlement to credit arising under Part 5 of The Scottish Landfill Tax Administration Regulations 2015 becomes your entitlement and not that of the transferor.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 6
SLfT4005 Applying for group treatment for registration

Companies (or bodies corporate) are eligible to be treated as members of a group if:

- the prospective representative member has an established place of practice in the UK; and

- either:
  - one of the companies controls each of the others; or
  - an individual, a company or a partnership controls all of them.

One body controls another if it is empowered by statute to control that body's activities, or if it is that body's holding company within the meaning of section 1159 of the Companies Act 2006. An individual may be regarded as a controlling body if the individual holds control over the other bodies in the same way as a holding company.

If you wish to apply for group treatment, you must nominate one of the members of the group to act as the 'representative member'. The application must be made no earlier than 90 days before the date from which it is to take effect, unless we have allowed a different time.

All the companies in the prospective group must be parties to the application but any one of those companies (or the person controlling them) can make the application.

For guidance on how to make the application for group treatment, see the separate guidance covering 'How to register for SLfT'.

If we accept the application, the companies are to be treated as a group from the beginning of an accounting period, and the company named in the application as the representative member will thereafter be treated as the representative member. We can only refuse an application if it appears to us that it is necessary to do for the purposes of protecting the revenue.

Once the application is accepted:

- any liability of a member of the group to pay tax is to be taken to be a liability of the representative member;

- the representative member is to be taken to carry out any taxable activities which a member of the group would carry out (see SLfT1002) – note that all taxable disposals made between members of the group must be accounted for and any tax paid; and

- all members of the group will then be jointly and severally liable for any tax due from the representative member.
Changes to group registration once it is in place

Once the group registration is in place, changes can be made to either group membership (adding or removing a member) or the representative member by one of the members making a further application to us.

In addition, if it appears to us that a company that we have treated as a member of a group because it was controlled by any person has subsequently ceased to be so controlled, then we will notify that person that from a specified date we will no longer treat that company as a member of the group.

LT(S)A 2014 section 38
SLfT4006 Registering a corporate body in divisions

A corporate body, which carries on its business through a number of divisions, may apply for the separate registration of those divisions. Each division is given a separate SLfT registration number and makes its own tax return. The corporate body, however, remains legally responsible for the tax.

For guidance on how to make the application for a divisional registration, see the separate guidance available covering 'How to register for SLfT'.
SLfT4007 Representation of an unincorporated body

Rules for unincorporated bodies other than partnerships

If an unincorporated body (other than a partnership) is required to do anything in relation to SLfT, it is the joint and several responsibility of any the following to comply with the requirement:

- every member holding office as president, chairman, treasurer, secretary or any similar office;
- if there is no such office, every member holding office as a member of a committee by which the affairs of the body are managed; or
- if there is no such office or committee, every member.

If the requirement is carried out by any of the persons above, we will consider that requirement as having been complied with, unless the requirement is one in relation to any of regulations 3 to 5 of The Scottish Landfill Tax (Administration) Regulations 2015 (notifications about registration – see SLfT4002 and SLfT4008).

Where that is the case, we will not consider that requirement as having been complied with unless the notification is made by a person upon whom a responsibility for making it is imposed by any of the individuals or members mentioned in the above bullet points.

Rules for unincorporated bodies which are partnerships

If a partnership is required to do anything in relation to SLfT, it is the joint and several responsibility of every partner to comply with the requirement.

If the requirement is carried out by any of the partners or, in the case of a partnership whose principal place of business is in Scotland, by any other person authorised by the partnership, we will consider that requirement as having been complied with.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 7
SLfT4008 Notifying us about inaccuracies and changes to your registration, including de-registering for tax

Once you have notified us about your intention to carry out taxable activities there are certain circumstances where you are required to notify us about any changes to your registration, including:

- inaccuracies in your original notification;
- changes in certain details such as business status;
- inaccuracies in either of the above notifications (that is, a notification about inaccuracies in the original notification or a notification about changes in certain details);
- ceasing to have the intention to carry out taxable activities (de-registering for tax); and
- bankruptcy or incapacity.

We will use this information to maintain and update the register which we will publish on our website.

If you fail to comply with any of the below rules you may be liable to a penalty – see RSTP3019.

Inaccuracies in your original notification

You must notify us (by writing to us at the contact address provided on our website) within 30 days of:

- you discovering an inaccuracy (of any type and nature); or
- a change occurring which causes an inaccuracy,

in any of the information you provided in (or with) your original notification of registration to us. You must provide full particulars of the inaccuracy.

We will correct the register accordingly if we are satisfied that any of the information recorded in the register is or has become inaccurate (and can do so irrespective of whether or not you have notified us about the inaccuracy).

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 4(1)
Changes in certain details

Notwithstanding the above requirement in relation to inaccuracies in your original notification, you must also notify us (by writing to us at the contact address provided on our website) within 30 days of the date of any of the following changing:

- your name or trading name (if different) or the address or name of the landfill sites which you operate;
- your status – that is, whether you are carrying on your business as a sole proprietor, a body corporate, partnership or other unincorporated body; or
- in the case of a partnership, the name and address of any partner.

You must provide us with the full particulars of the change, including the date on which the change occurred.

We will correct the register accordingly if we are satisfied that any of the relevant information recorded in the register has changed (and can do so irrespective of whether or not you have notified us about the change).

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 4(2) and 4(4)
Inaccuracies in notifications about a) inaccuracies in the original notification; b) changes in certain details

You must notify us (by writing to us at the contact address provided on our website) within 30 days of you discovering an inaccuracy in any information contained in (or provided with) a notification about:

- an inaccuracy in your original notification of registration; or
- changes in certain details such as your business status.

You must provide us with full particulars of:

- the inaccuracy;
- the date on which the inaccuracy was discovered;
- how the information was inaccurate; and
- the correct information.

We will correct the register accordingly if we are satisfied that any of the information recorded in the register is or has become inaccurate (and can do so irrespective of whether or not you have notified us about the inaccuracy).

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 4(3)
Ceasing to have the intention to carry out taxable activities (de-registering for tax)

Once you are registered for SLfT, you must notify us (by writing to us at the contact address provided on our website) within 30 days of you ceasing to have the intention to make taxable disposals, in order that we can de-register you for SLfT.

You must tell us the date on which you ceased to have the intention of carrying out taxable activities and, if different, the date on which you ceased (or will cease) to carry out taxable activities.

Once we are satisfied that you have ceased all taxable activity we will cancel your registration from the earliest practical time after you ceased all taxable activities.

We do not have to cancel your registration, if we are not satisfied about any of the following:

- you will not carry out (resumption of) taxable activities;
- all tax you are due to pay has been paid; or
- there is no outstanding credit you may be entitled to.

If you have been de-registered by us, and subsequently discover you are entitled to a repayment in relation to credit, see the following guidance for further information:

- SLfT6006 for credit for bad debt relief;
- SLfT6013 for credit for landfill waste which is later recycled, incinerated or re-used;
- SLfT6018 for credit for landfill waste which is later enforceably removed; and
- SLfT7008 for credit in relation to the Scottish Landfill Communities Fund.

LT(S)A 2014 section 22

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 5

Bankruptcy or incapacity of registrable persons

If you are registered and become bankrupt or are incapacitated we may, from the date of bankruptcy or incapacitation, treat any person carrying on the taxable business as though that person were you.

The person carrying on the business must inform us by writing to us at the contact address provided on our website within 30 days of commencing that responsibility, providing either the date of the bankruptcy order or the nature of the incapacity (whichever applies) and the date on which it began.
We will cease to treat that person as a registrable person if:

- your registration is cancelled, whether or not any other person is registered with the registration number previously allocated to you;
- the bankruptcy is discharged or the incapacity ceases; or
- the person ceases carrying on your business.

If the registrable person is a company, the references above to being incapacitated are to be construed as references to the company going into liquidation or receivership or entering administration (and references to the incapacity ceasing are to also be construed accordingly).

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 8
SLfT4009 Publication of the SLfT register

We maintain a SLfT register containing the information required to help us manage the tax. We will publish the names, business addresses and SLfT registration numbers of those registered for SLfT. Apart from the registration numbers, such details are already in the public domain as a result of environmental law. We will not publish any financial or confidential information you supply to us.

The register will be published on our website in due course.

LT(S)A 2014 section 24
SLfT5001 Making a SLfT return and paying tax

This chapter of guidance covers the rules regarding making and amending a SLfT return and payment of tax and is structured as follows:

- Making a SLfT return – SLfT5002
- Amending your SLfT return – SLfT5003
- Paying SLfT – SLfT5004
SLfT5002 Making a SLfT return

If you are registered for SLfT you must make a SLfT return to us no later than 44 calendar days after the end of each quarterly accounting period (see further below). This is the ‘filing date’, as defined by section 82 of the RSTPA 2014.

You must pay any tax due at the same time as you make the return – see SLfT5004.

Separate guidance is available covering ‘How to make a SLfT return and pay tax’ (note: there are two versions of this guidance – one for returns made online and one for returns made by paper).

If as a result of the SLfT return you are due a repayment of tax, but you have failed to make a previous SLfT return that was required, then we do not have to make the repayment until you make the outstanding return and pay any associated tax.

A landfill operator required to make a SLfT return to Revenue Scotland is also required to keep and preserve certain records in relation to making a correct and complete SLfT return. See the guidance on keeping and preserving records (SLfT8001) for more information.

For the purposes of completing the SLfT return you should enter in the details of all waste disposed of to landfill during the accounting period for the return.

The quarterly accounting periods for SLfT are:

- 1 April – 30 June (the filing date is 13 August);
- 1 July – 30 September (the filing date is 13 November);
- 1 October – 31 December (the filing date is 13 February); and
- 1 January – 31 March (the filing date is 14 May).

You may be liable to a penalty if:

- you fail to make the SLfT return to us by the filing date - see RSTP3005;
- the SLfT return contains an inaccuracy – see RSTP3011; or
- you fail to keep and preserve certain records in relation to making a correct and complete SLfT return – see RSTP3002.

LT(S)A 2014 section 25

The Scottish Landfill Tax (Administration) Regulations 2015 regulations 10-11
SLfT5003 Amending your SLfT return

Once you have made your SLfT return you can make an amended SLfT return within 12 months of the filing date for that return. The filing dates for each quarterly period are outlined in SLfT5002. If you make the return later than 12 months after the filing date then no amendment is possible.

Separate guidance is available on ‘How to amend a SLfT return’.

You must pay any additional tax due as the result of the amendment at the same time as you make the amended SLfT return – see SLfT5004.

If as a result of the amendment you are due a repayment of tax, but you have failed to make a previous SLfT return that was required, then we do not have to make the repayment until you make the outstanding return and pay any associated tax.

If the amended return contains an inaccuracy, you may liable to a penalty – see RSTP3011.

RSTPA 2014 section 83

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 11
SLfT5004 Paying SLfT

You must pay any tax that is payable as the result of a SLfT return at the same time as you make the return to us. For this purpose tax is treated as paid if arrangements that are satisfactory to us have been made when the return is made.

Tax payable as the result of an amendment of a SLfT return (see SLfT5003) must be paid at the same time as you make the amendment to us.

Separate guidance is available on:

- ‘How to make a SLfT return and pay tax’ (note: there are two versions of this guidance – one for returns made online and one for returns made by paper); and

- ‘How to amend a SLfT return’.

If you fail to pay any tax on or before the due date then you may be liable to a penalty – see RSTP3008. We may also charge interest on any unpaid tax – see RSTP4002.

LT(S)A 2014 section 25

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 11
SLfT6001 Credit – Bad Debt Relief; Recycling, Incineration or Re-use; Enforceable Removal

This chapter of guidance, reflecting the provisions of Parts 4 to 6 of The Scottish Landfill Tax (Administration) Regulations 2015, covers claims for credit in relation to: bad debt relief; recycling, incineration or re-use of material; and enforceable removal of material.

It does not cover:

- claims for credit in relation to the Scottish Landfill Communities Fund - see SLfT7001; and
- claims that are not made in the form of a tax return (that is, a claim made under section 106, 107 or 108 of the RSTPA 2014) – see RSTP7001.

The guidance is structured as follows:

- **Bad debt relief – SLfT6002**
- **Entitlement to bad debt relief – SLfT6003**
- **Records required for a claim for bad debt relief – SLfT6004**
- **Determining the amount of a claim for bad debt relief – SLfT6005**
- **How to claim bad debt relief - SLfT6006**
- **Receiving a payment from a customer after a successful claim for bad debt relief – SLfT6007**
- **Credit for landfill waste either later removed for recycling, incineration or re-use or enforceably removed – SLfT6008**
  - Credit for landfill waste later removed for recycling, incineration or re-use – SLfT6009
  - Conditions for making a claim of credit for landfill waste later removed for recycling, incineration or re-use – SLfT6010
  - Records required to claim credit for landfill waste later removed for recycling, incineration or re-use – SLfT6011
  - Determining the amount of the claim for credit for landfill waste later removed for recycling, incineration or re-use – SLfT6012
  - How to claim for credit for landfill waste later removed for recycling, incineration or re-use – SLfT6013
• Credit for waste enforceably removed to another landfill site – SLfT6014

• Conditions for making a claim for credit when waste is enforceably removed to another site – SLfT6015

• Records required to be kept for a claim for credit when waste is enforceably removed to another site – SLfT6016

• Determining the amount of a claim for credit when waste is enforceably removed to another site – SLfT6017

• How to claim for credit for waste enforceably removed to another landfill site – SLfT6018
SLfT6002 Bad debt relief

The guidance for credit in relation to bad debt relief is structured as follows:

- Entitlement to bad debt relief – SLfT6003
- Records required for a claim for bad debt relief – SLfT6004
- Determining the amount of a claim for bad debt relief – SLfT6005
- How to claim bad debt relief - SLfT6006
- Receiving a payment from a customer after a successful claim for bad debt relief – SLfT6007
SLfT6003 Entitlement to bad debt relief

If a customer of yours becomes insolvent or is otherwise unable to pay your charges for landfilling taxable waste, you (a registered landfill operator) may claim bad debt relief if you meet all of the following conditions:

- you have carried out a taxable activity, for example disposal of waste, for a consideration in money and the customer is not connected with you (determined in accordance with section 1122 of the Corporation Tax Act 2010);

- you have already accounted for tax on the disposal and paid it to us;

- you have written off the whole or any part of the consideration for the disposal as a bad debt in your accounts and transferred it to a separate bad debt account;

- you issued a landfill invoice (within 14 days of the date of the disposal or within such other period as we may have specified) which shows the amount of tax chargeable in respect of the disposal; and

- 12 months have passed since the date of issue of the landfill invoice.

LT(S)A 2014 sections 18-19

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 19
SLfT6004 Records required for a claim for bad debt relief

Before you can make a claim for bad debt relief you must have the following records:

- a copy of the landfill tax invoice (see SLfT8002) that you issued;
- records or other documents showing that you have accounted for and paid tax on the relevant disposal; and
- records or other documents showing that the consideration has been written off in your accounts as a bad debt.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 21

Once you have made the claim, you must make a record of that claim and keep it in a single account (with other such records) known as a ‘landfill tax bad debt account’. Each record should contain the following information in respect of each claim made:

- for each relevant disposal:
  - the amount of tax charged;
  - the return in which that tax was accounted for and when it was paid;
  - the date and identifying number of the landfill invoice that was issued;
  - any payment or other consideration received, whether before or after you make the claim; and
  - the details of any waste transfer note;
  - the outstanding amount;
  - the amount of the claim; and
  - the SLfT return in which the claim was made.

See SLfT6007 for the repayment consequences of failing to comply with this requirement.

You may also be liable to a penalty (see RSTP3002) if you fail to keep and preserve these records as required (see SLfT8001).

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 22
SLfT6005 Determining the amount of a claim for bad debt relief

You can normally claim credit for the amount of SLfT you charged on the disposal relating to the bad debt.

However, you must offset against the amount of the bad debt:

- any amount that you owe the customer (a mutual debt);
- the value of any enforceable security that you have in relation to that customer.

‘Security’ in this context means:

- in relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and right of retention (other than a right of compensation or set-off);
- in relation to England, Wales and Northern Ireland, any mortgage, charge, lien or other security;

and

- any part payment made by the customer for the debt.

In any or all of the above cases, your claim to credit can only be for the same proportion of SLfT that the outstanding bad debt forms of the whole consideration for the disposal.

For example:

- total charge for disposal - £182.50 (including £82.50 SLfT which has been paid);
- payment received - £90;
- amount of debt - £92.50;
- bad debt relief claimable - £92.50/£182.50 × £82.50 = £41.81.

The Scottish Landfill Tax (Administration) Regulations 2015 regulations 18, 20 and 25

Attribution of payments

If you have more than one debt with your customer (including debts relating to non-taxable or non-waste transactions) and your customer makes a payment to you, this payment should be attributed firstly to the oldest debt, then to the next oldest debt if there is a remainder, and so on. No attribution should be made, however, if the payment was allocated to a debt by the customer at the time of payment and the debt was paid in full.
Where the earliest debt and the other debts (or the debts to which the balance of payment could be attributed as above) to which the whole of the payment could be attributed arose on the same day, the payment shall be attributed to those debts by multiplying (for each such debt) the payment by a fraction, of which:

- the numerator is the amount remaining unpaid in respect of that debt; and
- the denominator is the amount remaining unpaid in respect of all those debts.

**The Scottish Landfill Tax (Administration) Regulations 2015 regulation 23**

**Writing off debts**

The whole or any part of the consideration for a taxable activity shall be taken to have been written off as a bad debt where any of the following apply:

- the customer has become insolvent:
  - through sequestration or bankruptcy or entering into any accommodation with the customer’s creditors; or
  - by going into insolvent winding up or by entering administration;
- because of the insolvency of the customer you have (to any extent) not been able to recover the consideration;
- you have written it off in accounts as a bad debt; or
- you have made an entry in relation to that activity in the landfill tax bad debt account (see SLft6004). This applies regardless of whether a claim can be made in relation to that activity at that time.

**The Scottish Landfill Tax (Administration) Regulations 2015 regulation 25**
SLfT6006 How to claim bad debt relief

Before claiming credit for bad debt relief you should first make sure you:

- meet the required criteria in SLfT6003;
- have complied with the requirements in regulation 21 of The Scottish Landfill Tax (Administration) Regulations 2015 (see SLfT6004); and
- are able to comply with the requirements in regulation 22 of The Scottish Landfill Tax (Administration) Regulations 2015 (see SLfT6004).

Claiming bad debt relief in your SLfT return

You can claim credit for bad debt relief once you have written of the debt by including the amount of credit you are claiming in the ‘Credit for Bad Debt claimed’ section of the relevant SLfT return. Separate guidance is available on ‘How to make a SLfT return and pay tax’.

The relevant SLfT return is the one that includes the first anniversary of the date of issue of the landfill invoice which has given rise to the bad debt.

Where the total credit you claim exceeds the total tax due for the accounting period, we will repay you an amount equal to the excess.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 15

Claiming bad debt relief if you are no longer registered for SLfT

If you are no longer registered with us for SLfT purposes (because we have cancelled your registration), you should make your claim for credit for bad debt relief by writing to us (clearly marking the letter ‘Claim for Bad Debt Relief’) at the contact address provided on our website, and including:

- except in the case of an entitlement to credit arising in relation to the Scottish Landfill Communities Fund (see SLfT7001), details of the SLfT return in which the relevant tax was accounted for;
- except in the case of an entitlement to credit arising in relation to the Scottish Landfill Communities Fund (see SLfT7001), the amount of the tax and date and manner of its payment; and
- setting out the events by virtue of which your entitlement to credit has arisen.

Assuming you have complied with the above requirements, and we are satisfied that you are entitled to credit (and have not previously had the benefit of that credit), we will pay you an amount equal to the credit. We will not make such a payment to you if you have failed to make all the SLfT returns you were required to make.
Where the total credit you claim exceeds the total tax due for the accounting period, we will repay you an amount equal to the excess.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 16
SLfT6007 Repayment of credit for bad debt relief

Repayment following receipt of a payment from a customer after a successful claim for bad debt relief

If you have claimed credit for bad debt relief and you subsequently receive any payment from your customer (or a payment is treated as attributed to the relevant disposal – see SLfT6005), you will have to repay us some or all of the credit.

The amount that you have to repay is calculated as the credit claimed, multiplied by a fraction, of which:

- the numerator is the amount received or attributed; and
- the denominator is the outstanding consideration for the disposal.

Using the example in SLfT6005:

- amount of credit claimed - £41.81;
- payment received - £20.00;
- amount of debt outstanding - £92.50;
- amount repayable - £41.81 × £20/£92.50 = £9.04.

Repayment following failure to comply with record keeping related requirements

If you have claimed credit for bad debt relief and you subsequently:

- fail to comply with the requirements to make and keep a record for each claim in a landfill tax bad debt account (see SLfT6004); or
- in relation to any of the documents in such a record, you fail to comply with either:
  - section 99(1) of the RSTPA 2014 (Revenue Scotland assessment – see RSTP1008); or
  - any obligation arising under section 111(4)(a) of that Act (reimbursement arrangements in relation to determining whether unjustified enrichment applies – see RSTP7006),

then you will have to repay us the amount of the claim to which the failure to comply relates.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 24
SLfT6008 Credit for landfill waste later removed for recycling, incineration or re-use or enforceably removed

A claim for credit can be made where you have been registered for SLfT, have accounted and paid tax for a particular accounting period and either of the two following conditions is satisfied in relation to the disposal on which the tax was charged:

- landfill waste is later removed for recycling, incineration or re-use – see SLfT6009; or
- landfill waste is enforceably removed to another landfill site – see SLfT6014.
SLfT6009 Credit for landfill waste later removed for recycling, incineration or re-use

The guidance for credit in relation to landfill waste which is later removed for recycling, incineration or re-use is structured as follows:

- Conditions for making a claim of credit for landfilled waste later removed for recycling, incineration or re-use – SLfT6010
- Records required to claim credit for landfilled waste later removed for recycling, incineration or re-use – SLfT6011
- Determining the amount of the claim for credit for landfill waste later removed for recycling, incineration or re-use – SLfT6012
- How to claim for credit for landfill waste later removed for recycling, incineration or re-use – SLfT6013
SLfT6010 Conditions for making a claim of credit for landfilled waste later removed for recycling, incineration or re-use

You can claim credit for landfilled waste which is temporarily disposed of but later removed for recycling, incineration or re-use (whichever applies) where each of conditions A to D below are satisfied.

**Condition A:** You made the disposal with the intention at the time that the material comprised in it would later be:

- recycled;
- incinerated;
- removed for use (other than by way of a further disposal) at a place other than a landfill site; or
- removed for use in the restoration of a landfill site (this can either be the same landfill site on which the disposal is made or any other landfill site) and the material has previously been used to create or maintain:
  - a temporary hard standing (that is, a temporary base within a landfill site on which any landfill site activity such as sorting, treatment, processing, storage or recycling is carried out) – see activity C in SLfT3002;
  - a temporary screening bund (that is, any structure on a landfill site, whether below or above ground, put in place to protect or conceal any landfill site activity or to reduce nuisance from noise) – see activity E in SLfT3002; or
  - a temporary haul road (that is, any road within the landfill site which gives access to a disposal area) – see activity B in SLfT3002.

**Condition B:** That material, or some of it, has been recycled, incinerated or re-used (whichever applies) in accordance with the intention mentioned in condition A.

**Condition C:** The recycling, incineration or re-use:

- has taken place no later than one year after the date of the disposal; or
- where water had been added to the material in order to facilitate its disposal, has taken place no later than five years after the date of the disposal (the extended time period in this case is to allow the water to dry out).

**Condition D:** Before the disposal you notify us by writing to us at the contact address provided on our website that you intend to make one or more removals of material in relation to which conditions A to C above will be satisfied.
SLfT6011 Records required to claim credit for landfilled waste later removed for recycling, incineration or re-use

As evidence for your claim, you should keep a removal account for wastes permanently removed showing, for each removal, and cross-referenced to the original disposal and the original tax paid:

- the weight and type of waste removed;
- to whom (name and address) the waste was transferred;
- the qualifying use the waste is to be put to; and
- the date the waste was recycled, incinerated or re-used (whichever applies).

If you fail to keep and preserve these records as required (see SLfT8001) you may be liable to a penalty (see RSTP3002).
SLfT6012 Determining the amount of a claim for credit for landfill waste later removed for recycling, incineration or re-use

The amount of credit is equal to the tax that you originally accounted for and paid in relation to the original disposal at your site (see SLfT2002). Where only some of the material in that disposal is removed, the amount of credit is the same proportion of that tax as the material removes forms of the total material.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 17
SLfT6013 How to claim for credit for landfill waste later removed for recycling, incineration or re-use

To claim credit for landfill waste that is later removed for recycling, incineration or re-use you should first make sure you meet the conditions in SLfT6010 and have the required information detailed in SLfT6011.

Claiming credit for landfill waste later removed for recycling, incineration or re-use in your SLfT return

You can claim credit for landfill waste that is later removed for recycling, incineration or re-use, by including the amount of credit you are claiming in the ‘Credit for permanent removals claimed’ section of the relevant SLfT return.

Separate guidance is available on 'How to make a SLfT return and pay tax'.

Where the total credit you claim exceeds the total tax due for the accounting period, we will repay you an amount equal to the excess.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 15

Claiming credit for landfill waste later removed for recycling, incineration or re-use if you are no longer registered for SLfT

If you are no longer registered with us for SLfT purposes (because we have cancelled your registration), you should make your claim for credit for landfill waste that is later removed for recycling, incineration or re-use by writing to us (clearly marking the letter 'Claim for credit in relation to Scottish Landfill Tax') at the contact address provided on our website, and including:

- details of the SLfT return in which the relevant tax was accounted for, except in the case of an entitlement to credit arising in relation to the Scottish Landfill Communities Fund (see SLfT7001);
- the amount of the tax and date and manner of its payment, except in the case of an entitlement to credit arising in relation to the Scottish Landfill Communities Fund (see SLfT7001); and
- setting out the events by virtue of which your entitlement to credit has arisen.

Assuming you have complied with the above requirements, and we are satisfied that you are entitled to credit (and have not previously had the benefit of that credit), we will pay you an amount equal to the credit. We will not make such a payment to you if you have failed to make all the SLfT returns you were required to make.

Where the total credit you claim exceeds the total tax due for the accounting period, we will repay you an amount equal to the excess.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 16
SLfT6014 Credit for waste enforceably removed to another landfill site

The guidance for credit in relation to landfill waste which is later enforceably removed to another landfill site is structured as follows:

- **Conditions for making a claim for credit when waste is enforceably removed to another site – SLfT6015**

- **Records required to be kept for a claim for credit when waste is enforceably removed to another site – SLfT6016**

- **Determining the amount of a claim for credit when waste is enforceably removed to another site – SLfT6017**

- **How to claim for credit for waste enforceably removed to another landfill site – SLfT6018**
SLfT6015 Conditions for making a claim for credit when waste is enforceably removed to another site

If you (a registered landfill operator) accept waste at your site and then have to remove it to another landfill site you can claim a credit of the tax you accounted for and paid on the original disposal at your site, if you meet all of the following conditions:

- you have removed waste from your site because SEPA has ruled and enforced that the waste breached the terms of your licence or permit for the site and has directed that it be removed;
- the waste is disposed of at another landfill site; and
- you have paid the other site operator tax on the disposal or, if you are the operator of the other site, you account for tax on the disposal.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 17
SLfT6016 Records required for a claim for credit when waste is enforceably removed to another site

As evidence for your claim, you should keep the following records:

- a copy of the correspondence from SEPA in which you are directed to remove the waste because its presence breaches the conditions of your permit or authorisation; and

- a removal account for wastes permanently removed showing, for each removal, and cross-referenced to the original disposal and the original tax paid:
  - the weight and type of waste removed;
  - to whom (name and address) the waste was transferred; and
  - the date of removal.

If you fail to keep and preserve these records as required (see SLfT8001) you may be liable to a penalty (see RSTP3002).
SLfT6017 Determining the amount of a claim for credit when waste is enforceably moved to another site

The amount of credit is equal to the tax that was charged on the disposal (see SLfT2002). Where only some of the material in that disposal is removed, the amount of credit is the same proportion of that tax as the material removes forms of the total material.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 17
SLfT6018 How to claim for credit for waste enforceably removed to another landfill site

To claim credit for waste that is later enforceably removed to another landfill site you should first make sure you meet the conditions in SLfT6015 and have the required information detailed in SLfT6016.

Claiming credit for landfill waste enforceably removed to another landfill site in your SLfT return

You can claim credit for landfill waste that is later enforceably removed to another landfill site by including the amount of credit you are claiming in the 'Credit for permanent removals claimed' section of the relevant SLfT return.

Separate guidance is available on 'How to make a SLfT return and pay tax'.

Where the total credit you have claimed exceeds the total tax due for the accounting period, we will repay you an amount equal to the excess.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 15

Claiming credit for landfill waste enforceably removed to another landfill site if you are no longer registered for SLfT

If you are not registered with us as a registrable person for SLfT purposes (because we have cancelled your registration), you should make your claim for credit for landfill waste that is later enforceably removed to another landfill site by writing to us (clearly marking the letter ‘Claim for credit in relation to Scottish Landfill Tax’) at the contact address provided on our website, and including:

- details of the SLfT return in which the relevant tax was accounted for, except in the case of an entitlement to credit arising in relation to the Scottish Landfill Communities Fund (see SLfT7001);

- the amount of the tax and date and manner of its payment, except in the case of an entitlement to credit arising in relation to the Scottish Landfill Communities Fund (see SLfT7001); and

- setting out the events by virtue of which your entitlement to credit has arisen.

Assuming you have complied with the above requirements, and we are satisfied that you are entitled to credit (and have not previously had the benefit of that credit), we will pay you an amount equal to the credit. We will not make such a payment to you if you have failed to make all the SLfT returns you were required to make.

Where the total credit claimed by yourself exceeds the total tax due for the accounting period, we will repay you an amount equal to the excess.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 16
SLfT7001 The Scottish Landfill Communities Fund

This guidance has been produced by Revenue Scotland to help landfill operators understand their roles and responsibilities under the new Scottish Landfill Communities Fund (SLCF).

The SLCF scheme encourages landfill site operators to provide contributions to organisations (‘approved bodies’) approved by the regulator, which in turn fund community and environmental projects. The SLCF only applies to Scottish Landfill Tax (SLfT) and not to UK Landfill Tax. For further guidance on transitional arrangements in relation to both the UK Landfill Communities Fund and the SLCF see SLfT7018. The objects of the scheme are outlined in regulation 29(5) of The Scottish Landfill Tax (Administration) Regulations 2015.

Under the scheme you can claim a tax credit for contributions you make to approved bodies. These organisations are those registered by SEPA, the regulatory body responsible for regulating the scheme on behalf of us.

You can claim a tax credit equal to 90% of any qualifying contribution that you make to an approved body for spending on a project meeting the objects of the scheme subject to a maximum percentage of your SLfT liability during your contribution year.

The maximum percentage credit may be liable to change each year as announced in the Scottish Budget and agreed by the Scottish Parliament. The current percentage credit is 5.6% of your SLfT liability.

Unless indicated otherwise, references in this chapter to:

- ‘the regulator’ mean the Scottish Environment Protection Agency or ‘SEPA’;
- ‘the scheme’ mean the Scottish Landfill Communities Fund;
- ‘we’, ‘us’ or ‘our’ mean Revenue Scotland; and
- ‘you’ or ‘your’ mean a landfill site operator (or the person registered with us to carrying out taxable activities in relation to SLfT).
The guidance in this chapter is structured as follows:

- **Background and mechanism of the SLCF – SLfT7002**
- **Qualifying contributions - SLfT7003**
- **Approved bodies - SLfT7004**
- **Approved objects for the SLCF - SLfT7005**
- **Calculating your SLfT liability in relation to the SLCF - SLfT7006**
- **Contribution years - SLfT7007**
- **How to claim for credit in relation to the SLCF - SLfT7008**
- **Circumstances affecting entitlement to credit for the SLCF - SLfT7009**
  - Donations from other organisations (third parties) - SLfT7010
  - Approved body repaying contributions - SLfT7011
  - Approved body transferring contribution to another approved body - SLfT7012
  - Approved body not spending contribution on a project fulfilling an approved object - SLfT7013
  - Approved body ceasing to be registered - SLfT7014
  - Approved body’s accounting practices failing to maintain a clear audit trail - SLfT7015
- **Summary of a landfill site operator’s responsibilities under the SLCF - SLfT7016**
- **Consequences of an approved body failing to comply with requirements - SLfT7017**
- **Transitional arrangements between the UK Landfill Communities Fund and Scottish Landfill Communities Fund - SLfT7018**
SLfT7002 Background and mechanism of the SLCF

Under the **LT(S)A 2014** the Scottish Ministers have the power to set the credit rate and objectives of the scheme whilst we (Revenue Scotland) have responsibility and powers to control and administer the SLCF scheme. The provisions in the Act also require that a landfill operator is only entitled to credit if they meet certain conditions i.e. to pay a sum only to an approved body.

**The Scottish Landfill Tax (Administration) Regulations 2015** set out the legislative provisions underpinning the SLCF. The objects of the scheme are contained in **regulation 29(5)** and include protection of the environment, enhancements to the environment (such as public amenities in the vicinity of a landfill site), the maintenance, restoration or repair of a building of historic interest and projects that help sustain and improve the biodiversity of the landscape. Further detail on the objects of the scheme can be found in **SLfT7005**.

**The regulator**

The regulator, SEPA, will focus its regulatory effort on the approved bodies and will determine whether these organisations comply with the requirements of the regulations. SEPA will check that approved bodies have appropriate systems and procedures in place to comply with the obligations of the scheme. On occasion, SEPA may also have cause to examine the work undertaken by projects insofar as it relates to an assessment of whether an approved body has met its requirements under the regulations.

You should submit details of any contributions you receive from third parties to SEPA. We will reconcile data from the SLCF with SLfT returns you have made to us.

SEPA will assess all applications to become an approved body and keep and publish an accurate register. Registration will commence on 1 April 2015. Projects will enrol with an approved body and **not** the regulator.

If an organisation is not successful in their application to become an approved body, or they are an approved body who has had their registration revoked, they can appeal this decision to an independent panel set up by the Scottish Ministers.

**Approved bodies**

You will make contributions direct to an approved body (all such contributions will be notified to us as part of the SLfT return) and the approved body must notify SEPA within 7 days of receiving funds from you. Approved bodies enrol projects, ensure that money is spent in accordance within its objects and report to the regulator.

All approved bodies will be registered by the regulator SEPA, who act on behalf of us. The maximum administration cost for approved bodies is set at 10%, including any other costs such as VAT. It is anticipated that all approved bodies will keep administration costs as low as possible to ensure more funds go to the good causes.
intended. Failure to keep administration costs below 10% could result in SEPA placing conditions on the approved body or ultimately us revoking its registration.

When considering funding a project, approved bodies are not permitted to discriminate on the grounds of geographic location (other than in respect of vicinity rules) or the objective of the project.

**Projects**

Projects would seek access to funding from the scheme by contacting an approved body. If approached about securing funding then we, SEPA or landfill operators will point such projects to the register of approved bodies available from [SEPA’s website](#) from 1 April 2015.

SLCF-related money must be spent on the objects of the fund. Where these objects refer to ‘in the vicinity’ of an authorised or permitted landfill site or transfer station:

- landfill site has the same meaning as in [section 12(1) of the LT(S)A 2014](#). You do not have to contribute to the scheme for your landfill to be included as a ‘landfill’ for the purpose of the vicinity test, as long as you (the landfill operator for the site) were eligible at some point to contribute to the scheme;

- a ‘transfer station’ is a facility authorised by SEPA for the storage and/or treatment of waste and which sends more than 2500 tonnes of waste per annum offsite for the purpose of landfill with a destination either inside Scotland or to the rest of the UK; and

- the ‘vicinity of a landfill site or transfer station’ is regarded as being within a 10 mile radius.

As the environmental regulator for transfer stations and landfill sites, SEPA may be contacted to establish which sites may be applicable under the scheme. SEPA will publish a map of these that will be available from 1 April 2015.

The distribution mechanism for the SLCF is summarised by the diagram below.
### SLfT7003 Qualifying contributions

A contribution is a qualifying contribution if the following conditions are met:

<table>
<thead>
<tr>
<th>No.</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The contribution is from a registered landfill site operator to an approved body.</td>
</tr>
</tbody>
</table>
| 2.  | A contribution is not repaid to you or to a third party contributor in the same SLfT accounting period in which you paid it.  
For further information see:  
- [SLfT7010](#) for information on donations from third parties; and  
- [SLfT7011](#) for information on the repayment of tax credits on contributions repaid other than in the same tax period that they were made. |
| 3.  | You record the:  
- amount and date of each payment; and  
- name and registration number of the approved body receiving it. |
| 4.  | You record the:  
- name and address of any third party contributor;  
- amount that person gives you, or is expected to give you; and  
- the actual or expected date of receiving of these amounts. |
| 5.  | If you receive third party contributions, you must provide SEPA with:  
- all the details listed in 4 above; and  
- the name and enrolment number of the approved body receiving the qualifying contribution. |
| 6.  | You inform the approved body of the name and address of any third party contributing to the qualifying contribution concerned. |
SLfT7004 Approved bodies

This section is designed to help you understand how the regulations could limit your interaction with approved bodies.

An approved body that wants to register with SEPA must not distribute profit or income other than for the furtherance of its objects, but it does not have to be a charity. It can be a body corporate, a trust, a partnership or other unincorporated body, but must not be controlled or managed by one or more of the following:

- local authorities;
- bodies corporate controlled by one or more authority;
- registered landfill site operators; or
- a person connected with any of the above (see the definition below).

As well as not controlling an approved body, the following must not be involved in its management. A person:

- who controlled or managed an approved body that had its registration revoked unless they asked to be removed from the register;
- convicted of an indictable offence;
- disqualified from being a charity trustee;
- connected with any of the above (see further below); or
- to whom a mental health order has effect.

The work of a body must not benefit a landfill operator who contributed to it and claimed SLfT credits or a third party contributor (except where they benefit as a class of persons not related to their role as a landfill operator). The body is also prevented from carrying out any work required to be done by the site operator under any enforcement notice, planning permission, approval or consent, or other statutory consent or approval.

‘Connected’ takes the same definition as provided in section 1122 of the Corporation Tax Act 2010 and is used to determine whether a person or persons are connected. While it is not possible to cover every aspect of this definition in this guidance, a connected person includes a brother, sister, spouses, partnerships and associated companies. An employee is not connected to an employer purely on the basis of employment (although the employee might be connected as a director or major shareholder who controls the employing company).
Checking whether an approved body is registered

If you wish to claim tax credits, you are responsible for ensuring that an approved body is registered by SEPA before you make a qualifying contribution to it. There are a number of checks you can carry out to ensure that a body is approved, including checking the list of registered approved bodies (including any revoked registrations) that SEPA publishes on its website. This will be available from 1 April 2015.

If you are in doubt about anything concerning the registration of an approved body contact SEPA.
SLfT7005 Approved objects for the SLCF

The objects of the SLCF scheme are contained in regulation 29(5) of The Scottish Landfill Tax (Administration) Regulations 2015 and can be summarised as follows:

Anywhere in Scotland

A) Reclamation, remediation, restoration or any other operation intended to facilitate economic, social or environmental use on land with restricted use due to a previous activity;

B) Community based waste prevention, recycling and reuse projects;

In the vicinity of a landfill site or transfer station

C) Provision, improvement, maintenance of a public park or other not for profit public amenity;

D) The conservation or promotion of biological diversity through the provision, conservation, restoration and/or enhancement of a natural habitat of Scotland or the maintenance or recovery of a species in its natural Scottish habitat;

E) Maintenance, repair or restoration of historic structures or sites of religious worship, historic, archaeological or architectural interest open to the public in Scotland, including their landscape context;

In order to fund administration costs

F) Provide financial, administration or similar services to a body enrolled with an approved body.

Please note that the regulations also require objects B, C, D and E to be ‘for the protection of the environment’. In the context of the SLCF the term ‘environment’ is not restricted to the natural environment and may be applied in a wider sense, including to the physical and built environments.

Further guidance will be published at a later date covering the registration process for approved bodies and what is expected of such bodies and the projects they enrol and fund. Once registered, approved bodies can also be contacted directly to establish what requirements they have in place to enable a project to enrol with them.
SLfT7006 Calculating your SLfT liability in relation to the SLCF

The maximum amount of credit you can claim in relation to the SLCF is 5.6% of your total SLfT liability in the period 1 April to 31 March. Separate guidance is available covering 'How to make a SLfT return and pay tax'.
**SLfT7007 Contribution years**

Your first contribution year starts from your effective registration date and ends on the following 31 March. Thereafter your contribution year will run from 1 April to 31 March.
SLfT7008 How to claim for credit in relation to the SLCF

Amount that can be claimed

You cannot anticipate your SLfT payments. The amount of credit that you can claim on your first return in the contribution year is the maximum percentage credit of that period's tax liability. In the second period the amount of credit is the maximum percentage credit of the total tax liability for the first and second periods, less any credit that you claimed for the first period, and so on.

Claiming credit in relation to the SLCF in your SLfT return

To claim credit in relation to the SLCF, you must include the amount of credit you are claiming in the ‘Credit for bodies concerned with the environment claimed’ section of the relevant SLfT return.

Separate guidance is available covering 'How to make a SLfT return and pay tax'.

In order to give you time to calculate your SLfT liability for a particular accounting period (and so you can then make a qualifying contribution), you can also claim for contributions made after the end of the accounting period but before the SLfT return for that period is due to be received by us (see SLfT5002 for these dates).

Where the total credit you have claimed exceeds the total tax due for the accounting period, we will repay you an amount equal to the excess.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 15

Claiming credit in relation to the SLCF if you are no longer registered for SLfT

If you are not registered with us as a registrable person for SLfT purposes (because we have cancelled your registration), you should make your claim for credit in relation to the SLCF by writing to us (clearly marking the letter ‘Claim for credit in relation to the Scottish Landfill Communities Fund’) at the contact address provided on our website, setting out the events that have made you entitled to credit.

If we are satisfied that you are entitled to credit (and have not previously had the benefit of that credit), we shall pay you an amount equal to the credit. We will not make such a payment to you if you have failed to make all the SLfT returns you were required to make.

Where the total credit claimed by yourself exceeds the total tax due for the accounting period, we will repay you an amount equal to the excess.

The Scottish Landfill Tax (Administration) Regulations 2015 regulation 16
**SLfT7009 Circumstances affecting entitlement to credit for the SLCF**

Circumstances which can affect your entitlement to credit in relation to the SLCF include:

- donations from other organisations (third parties) – see [SLfT7010](#);
- an approved body's repaying contributions – see [SLfT7011](#);
- an approved body transferring a contribution to another approved body – see [SLfT7012](#);
- an approved body not spending a contribution on a project fulfilling an approved object – see [SLfT7013](#);
- an approved body ceasing to be registered – see [SLfT7014](#); and
- an approved body's accounting practices failing to maintain a clear audit trail – see [SLfT7015](#).
SLfT7010 Donations from other organisations (third parties)

A condition of a payment qualifying for SLfT credit is that a registered landfill site operator must make it. Therefore a payment by a third party to an approved body would not create an entitlement to a credit to SLfT.

There is nothing, however, to prevent a third party from helping to fund or part fund your contribution, so long as that person or organisation is not itself the approved body you propose to donate to.

The approved body must make sure that any third party contributors do not directly benefit from the projects they are helping to fund. You must also record and notify both SEPA and the approved body receiving the contribution about the third party contribution.

As the SLCF is a voluntary fund, other donations are encouraged to provide good causes with access to funding but only contributions from landfill operators qualify for SLfT credit.
SLfT7011 Approved body repaying contributions

If an approved body you funded cannot either utilise your funds on another enrolled project or utilise the funds within two years of receiving them (for example, because a project costs less than forecast), and as a result repays all or part of your qualifying contribution to a third party contributor and/or you, then you **must** repay 90% of the refunded qualifying contribution to us.
SLfT7012 Approved body transferring contribution to another approved body

If an approved body transfers your contribution to another approved body (for example, because the original approved body ceases to operate), then:

- the transferred payment must be subject to a condition that it is spent on a project fulfilling an approved object;

- you are still treated as the contributor (although you cannot claim a further SLfT credit on the transfer of funds); and

- the approved body must notify SEPA of the transfer.

As how your contribution is spent determines your entitlement to SLfT credit, it is in your interest to make sure that approved bodies you donate to inform you if such transfers occur. You should inform SEPA if you become aware that an approved body has not done this.
SLfT7013 Approved body not spending contribution on a project fulfilling approved fund object

We can recover all or part of a SLfT credit where we are not satisfied that the relevant contribution was spent by the approved body on an object of the scheme or the approved body did not transfer the money to a project within two years of receiving it.

SEPA will inform us of all irregularities and we will consider each case on its merits when deciding whether the repayment of credit (or 'claw back') is appropriate. (Note: If the approved body has already given your contribution to a project, the ability for us to seek a claw back of the contribution from you ceases).

**Important:** Although the scheme provides for a tax credit of 90% of your contribution, the whole amount of the contribution itself must be given by you.

The fact that SEPA has registered and is regulating an approved body should give you reassurance that the body will be spending funds on approved objects. However, you may wish to check their registration status before making each payment to an approved body.

You may wish to spread your contributions among a number of approved bodies to reduce the risk.
SLfT7014 Approved body ceasing to be registered

There are a number of reasons why an approved body might have its registration in the scheme revoked. For example, the body might:

- voluntarily wish to leave the scheme (possibly because it is not attracting funding);

- cease operating (possibly because it was only set up to deliver a specific project or projects); or

- fail to comply with the scheme rules.

You lose your entitlement to credit on any of your contributions which remain undistributed at the time that the registration of an approved body you had donated to is revoked.

You should therefore ensure that, if an approved body’s enrolment is revoked, part of your agreement with an approved body includes the provision that unspent funds are either repaid to you or transferred to another approved body with your agreement.
SLfT7015 Approved body's accounting practices failing to maintain a clear audit trail

SEPA will regulate approved bodies requirement to maintain a clear audit trail to show a link between expenditure and contributing landfill site operators. Where an approved body is unable to maintain such records, the body is expected to inform the contributing landfill site operator.

You may therefore wish to consider the accounting practices of a body that you fund (or propose to fund) to make sure that it satisfies your requirements to safeguard your contribution.
**SLfT7016 Summary of a landfill site operator’s responsibilities under the SLCF**

We have prepared a checklist of some of your responsibilities when using the SLCF. These reflect the more detailed guidance provided elsewhere in this chapter.

- make sure the approved body you wish to fund is registered within the scheme (see SLfT7004);

- make contributions subject to a condition that they are only spent on projects fulfilling approved objects (see SLfT7005);

- record the details of the contributions and the approved body (or bodies) receiving them;

- record details of any third party contribution received and notify SEPA and the approved body of them (see SLfT7010);

- ensure that you, or a third party contributor, do not benefit from your contributions;

- only claim credit up to the maximum liability percentage of your annual SLfT liability (see SLfT7001);

- make sure you have used the correct dates to calculate your contribution year;

- check whether the approved body has transferred your contribution to another approved body. If they have, make sure that it informs you of the transfer. You are still treated as the contributor (see SLfT7012);

- check whether the approved body’s enrolment has been revoked. If it has, recover any of your money that is unspent at that date (see SLfT7014); and

- repay us 90% of any repayment of contributions you receive from an approved body (see SLfT7011).
SLfT7017 Consequences of an approved body failing to comply with requirements

Approved bodies must comply with the requirements set out in regulation 30 of The Scottish Landfill Tax (Administration) Regulations 2015.

Where SEPA identifies potential breaches of these requirements it may investigate and, where appropriate, apply conditions. This could ultimately lead us to potentially revoke a registration based on evidence provided by SEPA.

SEPA may also amend conditions to the registration of a body to ensure that particular projects which have not met the objects can no longer be funded.

If an approved body disagrees with our decision to revoke its approval, it can appeal that decision to an independent panel established by Scottish Ministers.

See SLfT7009 for further guidance on circumstances that can affect your entitlement to credit. It is important to remember that if you make a contribution to an approved body which later has its approval revoked (see SLfT7014), we may recover all or part of the tax credit you claim.
SLfT7018 Transitional arrangements between the UK Landfill Communities Fund and Scottish Landfill Communities Fund

The UK Landfill Communities Fund (LCF) and the SLCF are two different schemes. Money generated under UK Landfill Tax can only be spent on projects enrolled under the UK LCF and money generated by SLfT can only be spent on projects enrolled under the SLCF.

The UK LCF will cease to be funded from Scottish landfill operators from the 1 April 2015 but projects may continue to be funded in Scotland from the UK scheme provided all of the funds are utilised by the 31 March 2017. Landfill operators in Scotland will not be able to contribute to the UK LCF after 1 April 2015.

Scottish funds already allocated to UK scheme projects prior to 1 April 2015 may continue.

UK generated funds will have until 31 March 2017 to be utilised in UK LCF projects which are located in Scotland.

If you fund both the UK LCF and the SLCF (because you have operations both in Scotland and in the rest of the UK) then the funds should be clearly separated. We would expect you to ensure that any approved body to which you give SLCF-related money keeps that money in separate bank accounts from any UK LCF-related money which they may deal with.
SLfT8001 Keeping and preserving records

This chapter of guidance covers the requirement to keep and preserve certain types of records for SLfT purposes, and is structured as follows:

- **What records must be kept – SLfT8002**
- **Length of time to keep and preserve records – SLfT8003**
- **Preserving and producing records – SLfT8004**
**SLfT8002 What records must be kept**

You must be able to demonstrate, from the records you keep, that the amount declared on your SLfT return is your correct tax liability and that you are liable to be (or not to be, as the case may be) registered for tax.

As well as waste received at your site you need to keep records of non-waste materials brought in for site engineering.

You will need to keep the following records:

<table>
<thead>
<tr>
<th>Record</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLfT account</td>
<td>This is your quarterly summary of total SLfT due, detailing any credits of tax and any adjustments.</td>
</tr>
<tr>
<td>Non-disposal area account</td>
<td>See <a href="#">SLfT3011</a> for details of the records you must keep if you operate a non-disposal area.</td>
</tr>
<tr>
<td>Record of credits</td>
<td>See <a href="#">SLfT6011</a> for details of records that must be kept for re-use, recycling or incineration.</td>
</tr>
<tr>
<td></td>
<td>See <a href="#">SLfT6016</a> for details of records that must be kept if you claim a credit of tax on waste removed on instructions from the environmental regulator because its presence breaches your licence or permit.</td>
</tr>
<tr>
<td>Bad debt relief account</td>
<td>If you claim bad debt relief you must maintain a separate bad debt account (see <a href="#">SLfT6004</a> for details of what a bad debt account must show).</td>
</tr>
<tr>
<td>Contributions to environmental bodies</td>
<td>If you make contributions to an approved Environmental Body and claim tax credit you must maintain the records detailed in the Scottish Landfill Communities Fund guidance – see <a href="#">SLfT7003</a> and <a href="#">SLfT7010</a>.</td>
</tr>
</tbody>
</table>
You need to keep copies of all invoices (including landfill invoices – see regulation 34 of The Scottish Landfill Tax (Administration) Regulations 2015 and SLFT6004) and other accounting documents that you issue or receive. If the tax charged is more than the amount of tax due when the waste is disposed of to landfill (for example, because you recycle some of it) you still have to pay us the full amount of tax shown on the invoice.

A landfill invoice required to be kept and preserved must contain the following information:

- an identifying number;
- the date of its issue;
- the date of the disposal or disposals in respect of which it is issued or, where a series of disposals is made for the same person, the dates between which the disposals were made;
- the name, address and registration number of the person issuing it;
- the name and address of the person to whom it is issued;
- the weight of the material disposed of;
- a description of the material disposed of;
- the rate of tax chargeable in relation to the disposal or, if the invoice relates to more than one disposal and the rate of tax for each of them is not the same, the rate of tax chargeable for each disposal;
- the total amount payable for which the invoice is issued; and
- where the amount of tax is shown separately, a statement confirming that SLT may not be treated as the input tax of any person.

If you have agreed a bespoke or special weighing method with us, the records that must be kept will be detailed in your letter of approval.
Other records:

- business and accounting records;
- waste transfer notes and other records of materials brought onto or removed from the landfill site;
- all credit or debit notes and similar documents, including copies, issued or received by you which evidence an increase or decrease in the amount of any consideration for a transaction;
- evidence of entitlement to exemption;
- if applicable, site surveys and chemists’ analyses of wastes received for disposal;
- the total tonnage of waste you accept for landfill disposal, with separate entries for standard-rated, lower-rated, exempt and non-taxable wastes; and
- any other documents required by this notice or any other notice published by us.

You must also keep these records from the date of your registration.

RSTPA 2014 section 74
The Revenue Scotland and Tax Powers Act (Record Keeping) Regulations 2015
(Note: This is currently draft legislation)
SLfT8003 Length of time to keep and preserve records

Records relating to a SLfT return

If the records relate to a SLfT return, you will need to keep and preserve the records until the end of the later of A or B:

A) The relevant date, which means:

- the fifth anniversary of the day on which the return is made or, if the return is amended within the 12 month period allowed, the fifth anniversary on the day notice of the amendment is given under section 83 of the RSTPA 2014; or

- any earlier date as may be specified by us.

B) The date on which:

- an enquiry into the return is completed (see RSTP1006); or

- if there is no enquiry, when we no longer have the power to enquire into the return (see RSTP1003).

Records relating to notifying us about registration for tax or making records about material at a landfill site

If the records relate to fulfilling a requirement to notify us about your intention to carry out, or cease to carry out, taxable activities, or relate to making records in relation to material at a landfill site, you will need to keep and preserve the records until the end of:

- five years from the day on which the notice was given to us about the taxable activity or, as the case may be, five years from the day on which the waste material record was created,

or

- any earlier date as may be specified by us.

This includes waste transfer notes, even though environmental law only requires their preservation for two years. If, however, this causes you storage problems, involves you in undue expense or causes you other difficulties, you can ask us if you can preserve some of your records for a shorter period. You should always seek our agreement before destroying any of your records if they are less than five years old.

If you fail to keep and preserve records as required above under section 74 of the RSTPA 2014 then you are liable to a penalty under section 78 of that Act (see RSTP3002).
Records relating to claims not in a return

There is a shorter retention period where a person makes a claim other than in a SLfT return or amendment to a return (see RSTP7001). In this case, the person must keep and preserve such records as may be needed to make a correct and complete claim until the later of:

- the end of the period of three years beginning with the day on which the claim was made;
- where there is an enquiry into the claim (or an amendment of the claim), the time when the enquiry is completed (see RSTP7007); or
- where the claim is amended and there is no enquiry into the amendment, the time when we no longer have the power to enquire into the amendment.

If you fail to keep and preserve records as required above under paragraph 3 of schedule 3 to the RSTPA 2014 then you are liable to a penalty – see RSTP3002.
SLfT8004 Preserving and producing records

Preserving records

As long as your records meet the requirements we lay down, you can preserve them in whatever format - paper and/or electronic - that you prefer, for example:

- computer hard drive;
- tablet or smartphone;
- magnetic tape;
- flash drive or memory stick; and
- optical media such as a CD, DVD or Blu-Ray.

If records are kept on a computer and it is later upgraded to a new computer system which is not compatible with the old system, records held on the old system must remain accessible for the time periods specified in SLfT8003. If this is not possible, paper copies of these documents must be kept.

If you preserve the information contained in paper records on computer by transferring the information into an electronic form, the method of storage used must be capable of:

- capturing all the information needed to make a correct and complete SLfT return; and
- reproducing that information in a legible form.

Producing records

You must be able and prepared to make your records available to us when we ask to see them. You must also provide any information we request about your taxable activities. We may occasionally visit your premises to audit your records, your accounting systems and your business. We will usually make such visits by appointment, at a time that is convenient for you. See RSTP2001 for further guidance on our investigatory powers.