

# 2007 Pre-Budget Report and Comprehensive Spending Review



PBRN 26

9 October 2007

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## LANDFILL TAX: EXEMPTION FOR WASTE ARISING FROM DREDGING AND TREATED WITH ADDITIVES

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### Who is likely to be affected?

1. Waterways authorities, dredging contractors and landfill site operators.

### General description of the measure

2. Secondary legislation was laid before Parliament on 8 October which will extend the scope of the exemption from landfill tax for waste arising from dredging activities.
3. A ban on the landfilling of waste containing free-draining liquid is being phased in throughout the UK, necessitating the treatment of waste arising from dredging operations before it is sent to landfill. The ban comes into effect on 30 October 2007 in England, Wales and Northern Ireland and is already in place in Scotland.
4. Where treatment of waste involves adding other materials to immobilise the liquid content permanently, the waste will then fall outside the scope of the original exemption. The landfill tax exemption is therefore being extended to ensure that all waste from dredging that is disposed of by landfill will continue to benefit from exemption.

### Operative date

5. The extension to the exemption will have effect for relevant disposals of waste made, or treated as made, on or after 30 October 2007.

### Current law and proposed revisions

6. Material removed from waterways by dredging and disposed of at authorised landfill sites is exempt from landfill tax by section 43 of Finance Act 1996. The exemption stipulates that all material discarded must have been removed from the bed of a waterway.

7. A Treasury Order, laid before Parliament on 8 October 2007, will add a new subsection (5) to section 43, extending the exemption to disposals of material all of which HM Revenue & Customs is satisfied comprises material removed from the bed of a waterway and other material which has been added to it in order to ensure compliance with waste acceptance criteria.

**Further advice**

8. If you have any questions about this change, please contact the National Advice Service on 0845 010 9000. Information about Pre-Budget Report measures is available on the HM Revenue & Customs website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)