

HMRC Plastic packaging recycled content tax – summary from consultation

The list below pulls out the key features of the proposed plastic packaging recycled content tax that was announced in the 2020 Budget on 11 March which will start in April 2022 at a rate of £200/tonne for plastic packaging containing <30% recycled content.

Where businesses might be affected by this, it must be stressed that the information below is only a very brief summary of a [51 page document](#) and that they should read the whole document for a full assessment of their liability.

1. 'Plastic packaging' is defined as per packaging regulations: (3.6)
2. Applies to single use – long term storage exempt eg storage boxes. (3.7)
3. Plastic sold as packaging exempt eg clingfilm – but open to further consultation. (3.7)
4. Where packaging is multi-material, then captured if predominantly plastic. (3.8)
5. 'Imports' include both empty packaging and packaging around filled imports. (3.12)
6. Transit packaging used on imported goods is excluded eg pallet wrap. (3.14)
7. Narrow exemption being considered for medical plastic packaging. (3.20)
8. Definition of recycled plastic to include both pre and post-consumer waste. (3.23)
9. Definition of 'recycling' to include all methods including chemical recycling. (3.25)
10. Initial rate for tax set at £200/tonne. (3.26)
11. Tax will be applied to plastic used as, capable of being used as, designed and conceived for use as – packaging in the UK. (4.1)
12. Tax applies to UK convertor but further work required where there are multiple convertors in the chain. (4.5)
13. For imports, tax to be applied when first 'commercially exploited' – 'controlled, moved, stored, is subject to an agreement to sell or otherwise used in the course of business'. (4.6)
14. Taxable person will be the person on whose behalf the plastic packaging is first commercially exploited. (4.10) For imports, examples given. (4.12)
15. Damaged or unfit for use packaging would not be exempt. (4.13)
16. Joint and several liability under consideration where the liable person does not account for the tax. (4.16)
17. This would include online platforms. (4.22)
18. Businesses importing or manufacturing <10 tpa would be exempt. (5.1)
19. Liable businesses would be required to keep records – de minimis businesses would be exempt from record keeping. (5.7)
20. Information is provided on how businesses claiming de minimis should calculate their tonnage. (5.9)
21. All packaging within scope will be considered to have <30% recycled content unless evidence is available to prove otherwise. (6.7)
22. There are a number of examples of documentary evidence that could be suitable as appropriate evidence. (6.15)
23. Exported packaging is relieved of the tax. (7.1)
24. From April 2022, liable businesses will need to register with HMRC and account for the tax. (8.1)
25. Group registrations where 2 or more businesses that are part of the same group will be allowed. (8.7)
26. Once registered, businesses will be required to file quarterly returns online. (8.13)
27. Penalties will be applied in line with those used more widely by HMRC for those that fail to register or submit appropriate returns. (8.20)