

**Environmental Taxes Team
(Aggregates Levy/Landfill Tax)**

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HM Customs and Excise
Business Services and Taxes

Your ref:

Our ref:

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Contributing third parties and reimbursement to landfill operators

Customs have been asked by distributive environmental bodies and those wishing to apply for a grant under the landfill tax credit scheme (LTCS) to clarify the above situation.

Landfill operators are able to claim back 90% of the donations they make to environmental bodies as a tax credit. In a lot of cases, the landfill operator seeks to recoup the shortfall of 10% by asking that a person or organisation not connected with the project to reimburse this cost. Technically, this is treated as a donation to the landfill operator. This reimbursement must be in cash i.e. a cheque payable to landfill operator.

This means that the environmental body can receive 100% funding for the project and the landfill operator is reimbursed with 90% as a tax credit and 10% from an independent party.

There are a number of rules which must be complied with and these can be explained to you by the distributive environmental body or the schemes regulator, ENTRUST.

Making a donation to landfill operator in the above circumstances is perfectly proper and in many instances this allows projects to be funded.

Ivor Berry
Senior Officer
Environmental Taxes