

The Plastic Packaging Tax

The Plastic Packaging Tax (PPT) came into effect on 1 April 2022. This Fact Sheet provides a brief overview of the PPT. It will help you decide if the tax applies to you and, if it does, how to respond. If PPT does not, it will help you understand your wider responsibility and the records you are advised to keep.

What is Plastic Packaging Tax?

The purpose of Plastic Packaging Tax is to incentivise businesses to use recycled plastic in the manufacture of plastic packaging.

The tax is applied to plastic packaging manufactured in or imported into the UK that does not contain at least 30% recycled plastic. It does not apply to any packaging that is not predominantly plastic by weight.

The tax is chargeable when the plastic packaging component is finished if this takes place in the UK, or when finished plastic packaging is imported. For imports this includes new packaging for use in the UK, e.g. refuse sacks or stretch films, plus packaging which has been packed / filled with product. An example of the latter is plastic bottles filled with chemicals. These items are referred to by HMRC as 'filled imports'.

A component is finished in the UK when it undergoes its last substantial modification in the UK. The tax liability then lies with the manufacturer. The subsequent packing or filling is not classified by HMRC as being the last substantial modification.

Defining Plastic

For the purposes of Plastic Packaging Tax, plastic means a polymer material to which additives or substances may have been added.

Cellulose-based polymers that have not been chemically modified, such as viscose, are not treated as plastic for the purpose of Plastic Packaging Tax.

Other cellulose-based materials which are chemically modified, such as cellulose acetate, are considered plastic.

Additives include materials such as calcium or dyes. When you assess the amount of plastic in a packaging component, the additives are classed as part of the plastic.

Plastics include polymers which are:

- biodegradable
- compostable
- oxo-degradable

If a plastic packaging component is made from multiple materials but contains more plastic by weight (including additives which form part of the plastic) than any other substance, it will be classed as a plastic packaging component for the purposes of the tax.

Registering for Plastic Packaging Tax

You must register if you:

- Expect to import into the UK or manufacture in the UK 10 tonnes or more of finished plastic packaging components in the next 30 days. This test can be applied at any time.
- Have imported into the UK or manufactured in the UK 10 tonnes or more of finished plastic packaging components since 1 April 2022.

The weight does not include the goods inside the packaging. It does include plastic

Continued...

packaging containing 30% or more recycled plastic, even though this plastic packaging is not liable for the tax.

Prior to registering you must decide if you are an importer, manufacturer or both. Importers become liable for Plastic Packaging Tax as soon as the product is imported, not when the product is sold.

If you're a member of a business group, you can register as a group. This allows for only one of the businesses to complete returns and make payments on behalf of all members of the group.

You must register within 30 days of becoming liable for the tax. You must pay the tax on all chargeable components from the day you're liable to register. You may need to pay a penalty if you do not.

The Charge

The tax rate is £200 per tonne.

If you have paid tax on packaging that is then exported, you can claim credits.

Wider Responsibility

You are expected to conduct appropriate due diligence on all packaging you handle, irrespective of whether or not you are directly liable for the tax. This should include checks on who you are doing business with (suppliers and customers), in order to reduce the risk of being involved in a supply chain in which Plastic Packaging Tax is unpaid.

HMRC does not specify what the detailed checks must be, instead saying they must be 'relevant, reasonable and proportionate for your business'. This could include requesting a signed statement from suppliers and customers.

If you do not do these checks or keep sufficient records of them, you could be held jointly and severally liable (or secondarily liable) for any unpaid Plastic Packaging Tax.

Record keeping

Keep a record of how you worked out if you meet the criteria for registering.

If you do not meet the criteria and are not required to register, keep records demonstrating that you manufacture or import less than 10 tonnes per year of finished plastic packaging, including filled packaging.

Keep a record of all due diligence checks you carry out.

Where Plastic Packaging Is Required

The purpose of Plastic Packaging Tax is to incentivise the use of recycled plastic in the manufacture of plastic packaging. It is important to note factors, such as the safety and integrity of packaging, as well as recycled content, need to be considered in relation to some products including cleaning chemicals.

More Information

Click on the links:

[Which packaging is subject to Plastic Packaging Tax](#)

[Register as a group](#)

[Defining finished plastic packaging components](#)

[Working out the weight](#)

[Exempt packaging](#)

[Keeping records](#)

[When to register](#)

[Due diligence](#)

CHSA
Cleaning and Hygiene
Suppliers Association