

Your guide to Plastic Packaging Tax (PPT)

The key points to consider and how to prepare your business, outlined by our specialists.



What is the new legislation?

A brand new tax on plastic packaging has been introduced in the UK with effect from 1 April 2022.

Businesses that have plastic packaging components at any point in their supply chain should be considering PPT. Where a packaging component is used in the containment, protection, handling, delivery, or presentation of goods at any stage it should be considered whether PPT applies.

Who will be liable to pay UK PPT?

Any UK business that does the following in the UK:

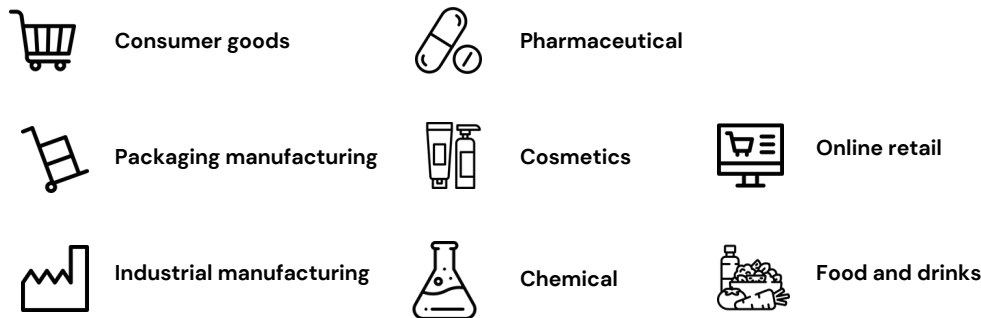
- imports plastic packaging,
- imports products contained in plastic packaging or
- manufactures plastic packaging

will be liable to register for PPT and pay any tax due if they exceed the threshold of 10 tonnes of plastic packaging in a 12-month period.

The tax will affect a wide range of businesses due to its broad scope. It is anticipated that at least 20,000 businesses will be impacted. Crucially, registration for PPT will be required even if a business meets the 30% recycled content threshold and does not need to pay any tax. Impacted businesses, therefore need to be aware of and start preparing to meet their compliance obligations.

Non-compliance for a 12 month period could result in penalties of upto £15,000.

The main sectors affected include:



What tax is payable?

The tax will apply at a rate of £200 per tonne on chargeable plastic packaging.

What are the potential risks?

Failure to comply: If a business fails to comply there is a £500 fixed penalty and a £40 daily penalty for the period in which the business does not comply. Non-compliance for a 12 month period could therefore result in penalties of upto £15,000.

Secondary liability and due diligence requirements: Even businesses who are not liable for PPT should still carry out adequate checks on suppliers to ensure that PPT is being paid in the supply chain where due.

If HMRC are able to determine that a business either knew, or should have known that PPT was not paid, then the business could become liable for the tax even if they are not the primary payer.

How can we help?

- We can assess the impact of PPT on your business and your supply chain – including advice on what is within the scope of the tax.
- We can assist with the registration for PPT.
- We can provide advice on the due diligence measures that your business needs to undertake to prevent exposure within the supply chain.

Contact the team today



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