

Plastic Packaging Tax (PPT)



Plastic Packaging Tax (PPT) is a tax on plastic packaging manufactured or imported into the UK which contains less than 30% recycled plastic. The objective of PPT is to encourage the use of more sustainable plastics, and to reduce the volume of plastic waste which ends up in UK landfill.

Your contacts:

Caroline Brooks
Director
Environmental Taxes UK Lead
+44 7483 383 963
caroline.brooks@pwc.com

Holly Grantham
Senior Manager (Solicitor)
+44 7701 296045
holly.a.grantham@pwc.com

Prinal Nathwani
Senior Manager (Solicitor)
+44 7718 979312
prinal.nathwani@pwc.com

Dhan Sehmi
Manager
+44 7483 392 897
dhan.sehmi@pwc.com

Monica Georgala
Manager
+44 7483 341702
monica.georgala@pwc.com

<https://www.pwc.co.uk/service/s/tax/plastic-packaging-tax.html>

Plastic packaging is defined as packaging that is suitable for the **containment, protection, handling, delivery or presentation** of goods at any stage in the supply chain.

Plastic packaging which falls within scope will be subject to PPT at a rate of £210.82 per tonne from 1 April 2023. Businesses that import or manufacture 10 tonnes or more plastic packaging over a 12 month period, or expect to within the next 30 days, must register for the tax.



What is PPT?

- Tax plastic packaging components at source.
- The tax applies to plastic packaging which is manufactured in or imported into the UK and contains less than 30% recycled material. Responsibility to pay the tax lies with the producer or importer.
- To determine whether a plastic component meets the 30% recycled threshold, businesses must obtain evidence from the manufacturer. More generally, taxpayers are expected to keep detailed data and evidence.



Who is affected by PPT?

Importers, manufacturers, retailers, platforms, supply chains

- **Directly impacted**
Businesses who import or manufacture plastic packaging components in the UK will have an additional reporting administration, as well as keeping detailed records for up to 6 years.
- **Indirectly impacted**
PPT impacts the whole supply chain due to wide ranging liability provisions. For instance, customers further down the supply chain may be liable for their suppliers unpaid PPT. Costs may also be passed down the supply chain, which will impact tight profit margins.

Businesses should check whether each plastic packaging component falls within the scope of PPT and is subject to the tax.



In scope and taxable

Count towards 10 tonnes registration threshold and reporting.



In scope and exempt

Count towards 10 tonnes registration threshold and reporting (unless within the transport packaging or aircraft, ship or railway stores exemption).



Out of scope

Does not count towards 10 tonnes registration threshold and reporting.

PPT required administration

1. Registration

Businesses importing or manufacturing 10 tonnes of plastic packaging in the UK, in a 12 month period. Registration is required even if packaging contains more than 30% recycled plastic or is considered exempt.

4. Compliance and reporting

Businesses are required to report the volume of packaging produced and imported, subject to tax. As well as the amount of recycled content. Returns are periodic and currently due on a quarterly basis.

5. Exemptions/exclusions

The definition of in-scope packaging covers a wide range of materials and components, making it challenging to determine which components are exempted or excluded, and which are not.

4. Secondary and joint and several liability

Wide ranging liability provisions mean that businesses need to conduct due diligence. Liability applies across the supply chain and businesses may be liable on their suppliers unpaid PPT.

2. Records and invoicing

Records of plastic packaging and recycled content are required to be retained even for exempt plastic or where not registered. Evidence is required to establish the breakdown of packaging by weight.




3. Reliefs

Packaging intended for export within 12 months of import/production eligible for relief. Evidence must be retained to show the export has taken place.



Your need for action

Importers and manufacturers of plastic components in the UK will have to comply, as from 1 April 2022, with the following obligations:

- 1 Identify packaging components and collect PPT data and quantity and weight of plastic packaging components. Carry out due diligence of suppliers within your supply chain. 
- 2 Register with HM Revenue and Customs for PPT. Registration is mandatory for businesses who import or manufacture more than 10 tonnes of plastic packaging per year. 
- 3 Keep records of the weight of plastic packaging imported or manufactured, along with the recycled content of that packaging. These records need to be submitted to HM Revenue and Customs on a quarterly basis. 

Consequently, there will be a variety of obligations that business must comply with. This includes gathering of PPT data, preparation and submission of PPT returns, and due diligence across the supply chain.

Please reach out to us if you'd like to learn in more detail how PPT functions and how it will likely affect your business. In addition to bespoke advice and tailored compliance services, we have developed a range of tools to assist businesses meet their PPT obligations. Together, we'll get you up to speed on PPT and ensure your smooth transition into efficient plastic packaging reporting.

This is a proposal document and does not constitute a contract of engagement with PricewaterhouseCoopers LLP. Where we are engaged to provide services, our services will be governed by any subsequent engagement contract that may be entered into between us. If you receive a request under freedom of information legislation to disclose any information we provided to you, you will consult with us promptly before any disclosure. All information contained in this proposal document or otherwise provided or made available as part of our proposal is confidential and may not be disclosed to anyone else without our prior consent.

© 2023 PricewaterhouseCoopers LLP. All rights reserved. 'PwC' refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details. RITM11750096