



Plastic Packaging Tax: Stakeholder toolkit

13 October 2022 version

The information in the following toolkit provides various resources and communications for you to signpost to and share with businesses to help them understand the steps they need to take. Please share with businesses who:

- **manufacture plastic packaging in the UK**
- **import plastic packaging into the UK, including goods already in plastic packaging.**

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The information and attachments in this toolkit are **correct as of October 2022**. They will be reviewed regularly, and any updates will be sent out as appropriate.

Thank you,

HMRC's Plastic Packaging Tax Team

Background and key features of Plastic Packaging Tax

The tax provides a clear economic incentive for businesses to use recycled plastic in the manufacture of plastic packaging, which will create greater demand for this material. In turn this will stimulate increased levels of recycling and collection of plastic waste, diverting it away from landfill or incineration. Key features of the tax include:

- Plastic Packaging Tax applies to plastic packaging that does not contain at least 30% recycled plastic.
- Businesses that manufacture or import 10 tonnes or more of plastic packaging over a 12-month period are liable for Plastic Packaging Tax at a rate of £200 per tonne.
- Businesses exceeding the 10-tonne threshold need to register for Plastic Packaging Tax. This includes businesses whose packaging contains 30% or more recycled plastic.
- There are broadly 2 types of plastic packaging subject to the tax. These are packaging components designed to be suitable for:
 - use in the supply chain from the manufacturer of the good to the user or consumer to contain, protect, handle, deliver or present the goods, although it does not matter if it is used in the supply chain or by the end user; and
 - single use by the consumer to contain, protect, handle, deliver, or present a commodity or waste.
- There are certain types of packaging which are not in scope or are exempt from Plastic Packaging Tax, despite falling within these broad categories.
- Packaging made of more than one material will be subject to Plastic Packaging Tax if plastic is the predominant material by weight.
- HMRC understands this is a new tax and is working closely with industry to help businesses understand and be able to comply with the requirements. HMRC's compliance strategy follows its general approach of "promoting compliance" and preventing and responding to "non-compliance". Where businesses are taking best steps to comply with the tax, HMRC will recognise this. HMRC has a range of enforcement and inspection powers to ensure compliance with the tax and only resorts to using tougher sanctions where businesses seek to deliberately evade the tax.

Resources for businesses

GOV.UK guidance

Guidance for PPT is available at our [collection page](#). We continue to enhance the PPT guidance pages to help address your frequently asked questions.

Mae'r holl arweiniad craidd ar y Dreth Deunydd Pacio Plastig bellach ar gael yn Gymraeg ar y [dudalen gasgliad ar GOV.UK](#) / All core guidance on PPT is now available in Welsh at the [collection page on GOV.UK](#).

Step by step guides

Two step by step documents are available to assist businesses in understanding the tax and what plastic packaging products are in scope.

- [Check if you need to register and are liable for PPT](#)
- [Check if your plastic packaging is in scope of PPT](#)

The step-by-step guides are also available in Welsh:

- [Check if you need to register and are liable for PPT](#)
- [Check if your plastic packaging is in scope of PPT](#)

You can save the step-by-step guides by clicking on the full screen icon, and then click on the download icon in the top-right of the screen. Alternatively, you can request a copy by email at indirecttaxdesign.team@hmrc.gov.uk.

Mailing list

To sign up to the PPT mailing list, please send a blank email to indirecttaxdesign.team@hmrc.gov.uk with the subject title "mailing list".

Communications products

Record keeping & returns

Plastic Packaging Tax (PPT) was introduced on 1 April 2022. If you manufacture or import 10 tonnes or more of plastic packaging, you may need to register for PPT, even if all your packaging contains 30% or more recycled plastic.

Remember, you are responsible for the accuracy of your PPT return.

You will need to submit a PPT return to HMRC and pay any tax due every quarter. Your PPT return must cover an accounting period. For 2022-23, the next accounting periods and deadlines for returns and payment are:

- 1 July to 30 September 2022 accounting period. Deadline for return and payment is **31 October 2022**
- 1 October to 31 December 2022 accounting period. Deadline for return and payment is **31 January 2023**
- 1 January to 31 March 2023 accounting period. Deadline for return and payment is **28 April 2023**.

You must keep [accounts and records](#) to support the information provided when you [complete your quarterly PPT return](#).

Your accounts must show how you have worked out the figures you submit on your PPT return, and your records must show the evidence to support these figures.

You must keep your accounts and records for at least 6 years from the end of the accounting period, and record weight in tonnes, kilograms, and grams.

Remember, you are responsible for the accuracy of your PPT return.

- You will need to pay any tax due through your online PPT account. You can pay via Direct Debit, Bacs, CHAPS, Debit/Corporate credit card or Faster Payments.

For a reminder of these steps and all return and payment dates for 2022-23 download our [PPT flyer](#).

We would welcome you sharing the post with the PPT flyer. Alternatively, you can save the flyer and use this on your communication channels by clicking on the full screen icon, and then clicking on the download icon in the top-right of the screen.

Tax relief

If you manufacture or import finished plastic packaging components, you may be able to get tax relief if you:

- export them in the same accounting period
- intend to export them in the next 12 months
- have paid tax on them but later export them or convert them into different chargeable plastic packaging components
- have evidence another business has exported or converted them

There are different rules for claiming relief depending on what you want to get relief for and when you want to claim.

You can find more information on claiming tax relief and the evidence needed on GOV.UK: <https://www.gov.uk/guidance/claim-a-credit-or-defer-paying-plastic-packaging-tax>

Legislation & Consultations

Legislation:

The primary legislation for Plastic Packaging Tax can be found in the [Finance Act 2021 Part 2](#).

There are several piece of secondary legislation [The Plastic Packaging Tax \(Descriptions of Products\) Regulations 2021](#) and [The Plastic Packaging Tax \(General\) Regulations 2022](#).

The [PPT Force of Law guidance](#) provides the necessary legislative provision for the detailed administrative arrangements of the tax that have already been set out in guidance elsewhere, such as standard weighing methods.

Policy & primary legislation consultations:

The government conducted two policy consultations on the design of the tax and a further technical consultation on the primary legislation before it was approved by Parliament. Links to the consultations and their responses can be found below.

[HMT policy design consultation and summary of responses](#)

[HMRC policy design consultation and summary of responses](#)

[Technical consultation on PPT primary legislation](#)

FAQs

Please find below some of the frequently asked questions about Plastic Packaging Tax. We encourage you to support business, by drawing on and sharing the resources supplied in these documents when answering these or other questions you may receive about the tax.

Scope of the tax

How will I know if the plastic packaging that I manufacture, or import is taxable?

There are broadly 2 types of plastic packaging subject to the tax. These are packaging components designed to be suitable for:

- use in the supply chain from the manufacturer of the good to the user or consumer to contain, protect, handle, deliver or present the goods, although it does not matter if it is used in the supply chain or by the end user; and
- single use by the consumer to contain, protect, handle, deliver, or present a commodity or waste.

There are certain types of packaging which are exempt or excluded from the tax. You can find more about these on GOV.UK: ['Check which plastic packaging is exempt from plastic packaging tax'](#).

The tax becomes chargeable when the plastic packaging component is treated as 'finished'. This means when it has undergone its last substantial modification.

You will need to consider whether you import finished plastic packaging, or if you carry out the last substantial modification in the UK. Guidance is available on GOV.UK to help you with this: ['get your business ready for the plastic packaging tax'](#).

What do you mean by a packaging component?

Packaging can be made up of several packaging components. Packaging components are generally manufactured separately before being assembled into a packaging unit. Each component would be subject to the tax. For example, a soft drink bottle is made up of 3 components, the bottle, the lid, and the label – these are three separate components. Each component will need to include at least 30% recycled plastic for no tax to be charged.

Some packaging units consist of a box with a plastic window. Where the plastic window is film that has been laminated to the box, it will be deemed part of the box. Where it is affixed by glue (i.e. it is a patch window) the window will be a separate component to the box.

What do you mean by multiple material packaging?

A packaging component that is made of multiple materials but contains more plastic by weight than any other single substance will be a plastic packaging component for the purposes of the tax.

For example, if a 10 gram packaging component is made of 4 grams of plastic, 3 grams of aluminium and 3 grams of cardboard, all 10 grams will be considered plastic packaging for the purposes of this tax. Likewise, if the 10 gram packaging component was 3 grams of plastic, 4 grams of aluminium and 3 grams of cardboard, none of the item would be taxable.

If the weight of plastic in the component is equal to the weight of another single material used, the component would not be considered as plastic for the tax.

Are alternative plastics, such as biodegradables and compostables, in scope of the tax?

Yes. Biodegradables and compostable plastic packaging components are plastic for the purpose of the tax.

The government has committed to work with industry and the research community to better understand the impact of using bio-based, biodegradable, and compostable plastics and will keep their tax treatment under review.

Is my component integral to the product?

Plastic Packaging Tax is not charged where the packaging is an integral part of the good. The packaging component is integral if the good cannot reasonably be used or consumed without it, and the packaging is discarded together with the good, or after the good has been used or consumed.

To view some examples of the types of packaging that is in and out of scope of the tax, please visit the examples page on GOV.UK: ['Check which plastic packaging is exempt from plastic packaging tax'](#)

Reprocessing/types of recycling

What do you mean by recycled plastic?

Recycled plastic is plastic that has been reprocessed from recovered material by using a chemical or manufacturing process. This is so it can be used either for its original purpose or for other purposes. This does not include organic recycling.

Recovered material is pre-consumer plastic or post-consumer plastic that both:

- is no longer suitable to be used in the process from which it was generated and would otherwise have been used for energy recovery (for example, by incineration) or disposed of as waste (for example, by being sent to landfill)
- has been collected and recovered for use as a material input for a recycling or manufacturing process, instead of new primary material

Where a business generates scrap during manufacturing, regrinds it and then re-uses it, this does not count as recycled plastic as the plastic waste would not have otherwise genuinely been used as energy recovery or disposed of as waste.

What is pre-consumer plastic?

Pre-consumer plastic is plastic that's recovered from waste generated in a manufacturing process and subsequently processed by a reprocessing facility.

It does not include scrap or regrind which can be reused in the process from which it was generated after only minimal reprocessing, for example shredding and grinding.

However, where waste material is recovered and requires reprocessing involving melting and extrusion into pellets at a reprocessing facility before it can be reused, it can be treated by manufacturers as recycled plastic for any process.

What is post-consumer plastic?

Post-consumer plastic is plastic that is generated by the end user of the product. The product can then no longer be used for its intended purpose.

The consumers are:

- households
- commercial facilities
- industrial facilities
- institutional facilities

This includes returns of materials from the distribution chain.

What counts as reprocessing?

The reprocessing of pre-consumer plastic and post-consumer plastic can be completed either at a reprocessing site or within your own premises if you have the facilities. Examples of processes involved in reprocessing can include:

- grinding
- melting
- regranulating
- compounding

This list is not exhaustive.

Does scrap/regrind count as recycled plastic?

Scrap and/or re-grind is not treated as recycled plastic if it can be reused in the process from which it was generated after only minimal reprocessing, for example shredding and grinding.

What processes are considered mechanical reprocessing?

Mechanical reprocessing would include processes like regrinding, melting and granulating.

It is important that businesses ensure that claims made by a reprocessor about the recycled plastic are correct.

I cannot get hold of the recycled plastic I need to use 30% - what can I do?

The government recognises that 30% recycled plastic is an ambitious level but the tax and is designed to increase demand for recycled plastic and in-turn stimulate increased levels of recycling and collection of plastic waste.

Does reprocessing waste need to be with an accredited re-processor?

The re-processor does not need to be accredited. Businesses will need to ensure that claims made by a reprocessor about the recycled plastic are correct.

Does the reprocessing need to happen at another location to where the packaging is manufactured?

We are aware that some businesses have their own reprocessing facilities to recycle plastic waste into recycled plastic.

There are no requirements which prevent this happening by the same business or at the same location where the packaging is manufactured.

However, the plastic must be mechanically or chemically reprocessed to qualify as recycled plastic and it must genuinely be plastic waste that would otherwise have been used for energy recovery or disposed of waste, for example, gone to landfill or incineration, to count as recycled plastic.

What is the difference between regrind and re-granulated?

Plastic regrind is unprocessed scrap from manufacturing processes which can be used in the place of virgin plastic in a new run of the process from which it originated. This plastic is not recycled plastic for the purposes of the tax.

Recycled plastic for the tax must be reprocessed by chemical or manufacturing processes, other than organic recycling. Re-granulating is a form of mechanical recycling.

Can we use a mass balance approach to calculate the recycled plastic content?

Chemically recycled plastic is an allowable source of recycled plastic for the purposes of PPT. However, calculations will need to reflect the actual amount of recycled plastic within the packaging.

Where plastic has been purchased in a mixed batch of virgin and recycled plastic, then only the actual proportionate amount of chemically recycled plastic can count towards the 30% threshold.

Mass balance cannot be used to attribute mixed inputs to separate outputs where the material remains mixed. For example, if the inputs of a process are 5% recycled plastic and 95% virgin plastic and these are mixed together, the outputs are a mixed batch which is all 5% recycled plastic. The outputs cannot be attributed so that either 5% of the outputs are treated as 100% recycled plastic, or so that approximately 17% of the outputs are treated as 30% recycled plastic.

The government will keep this position under review.

Who must account for the tax?

Who is responsible for PPT?

Businesses that manufacture and import plastic packaging components (including plastic packaging that are already filled) are responsible for the tax.

Who is the manufacturer for the purpose of the tax?

The business that must account for the tax is the one that ‘finishes’ the packaging component or imports the ‘finished’ packaging component. A component is ‘finished’ by the manufacturer who performs the last substantial modification. Guidance about what is a substantial modification can be found here: [Definitions of finished components and substantial modifications for Plastic Packaging Tax - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/definitions-of-finished-components-and-substantial-modifications-for-plastic-packaging-tax)

The last substantial modification is the last manufacturing process that makes a change to the packaging component’s shape, structure, thickness or weight. Examples include extrusion, moulding and printing.

Certain processes are excluded from being substantial modification. These are blowing from a preform, cutting, labelling and sealing. This is an exhaustive list.

- For example, in a supply chain for bags, the first manufacturer extrudes the film, and then a second manufacturer prints on the film. A third manufacturer cuts the film and then *forms* it into bags, before it goes to a pack-filler for filling, and it is at this point that the tax is charged. Forming involves changing the shape of the component and so would be the last substantial modification made in this supply chain.

A substantial modification may take place as part of the same process as the packaging being filled. In these cases, the last substantial modification for the purpose of PPT would be the one before this final process.

Who is the importer for the purpose of the tax?

For plastic packaging imported into the UK, the person on whose behalf the packaging is being imported must register, account for, and pay the tax. This will usually be the “consignee” on import documentation. Where a consignee can demonstrate that they are acting on behalf of another business that owns the goods (e.g., freight forwarders), then the owner will be the person who must register, account for, and pay the tax.

For packaging manufactured in the UK, is the tax paid at manufacture or when it is sold to a customer?

You must account for the tax on plastic packaging component that is 'finished'. A component is 'finished' when it has undergone its last substantial modification.

When plastic packaging is sold onto a customer is not relevant for determining when you must account for the tax.

Further guidance on when plastic packaging is considered 'finished' is available on GOV.UK: ['decide if you need to register for plastic packaging tax'](#).

Will I need to pay tax on plastic packaging manufactured or imported before 1 April 2022?

No. The tax applies to plastic packaging manufactured or imported into the UK from the 1 April 2022 onwards only.

When does the tax charge arise / when is the packaging finished and what does last substantial modification mean?

The business that must account for the tax is the one that 'finishes' the packaging component or imports the 'finished' packaging component. A component is 'finished' when it has undergone its last substantial modification.

The last substantial modification is the last manufacturing process that makes a change to the packaging component's shape, structure, thickness, or weight. Examples include extrusion, moulding and printing. There are 4 processes that are excluded from being substantial modification. These are blowing from a preform, cutting, labelling, and sealing.

A substantial modification may take place as part of the same process as the packaging being filled. In these cases, the last substantial modification for the purpose of PPT would be the one before this final process.

For example, there are two manufacturers, one who is extruding the pre-form and one blowing the bottle. Blowing bottles from pre-forms is does not count as a substantial modification, so the component is finished and subject to PPT once the pre-form has been extruded.

Further guidance is available on GOV.UK: ['decide if you need to register for plastic packaging tax'](#).

How do I know if I perform the last substantial modification?

If you do a process that is a substantial modification, or import plastic packaging components, you will need to consider whether you have performed the last substantial modification or imported a finished component. You may need to work with your supply chain to determine whether you are responsible for manufacturing or importing the finished packaging component. If you do a process that is a substantial modification, or import plastic packaging components, and you do not have evidence that another business will perform the last substantial modification, you should account for the tax.

There is provision within Finance Act 2021 (section 70) to allow contracts to be adjusted by suppliers to require their business customers who subsequently convert the plastic packaging component into another chargeable plastic packaging component to provide the supplier with information about the conversion. Contracts can only be adjusted where not prohibited by current contract terms.

Packaging that is imported filled with goods will always be considered a finished component.

[Exemptions, including transport packaging](#)

I cannot use recycled plastic because of regulatory requirements around food/chemicals/cosmetics etc. Why is my product not exempt?

The aim of the tax is to provide a clear economic incentive for businesses to use recycled plastic in the production of plastic packaging. Without being included in the tax, the areas where it is currently challenging to increase the level of recycled plastic would have less incentives to find new ways to overcome these issues.

What counts as transport packaging?

Plastic Packaging Tax is not charged on transport packaging (also known as tertiary packaging) when it is used in the delivery of goods into the UK. You do not need to account for this on your tax return. Transport packaging is packaging conceived to facilitate the handling and transport of a number of sales units or grouped packaging in order to prevent both:

- physical handling damage
- transport damage.

It includes the following types of packaging when used to import goods into the UK:

- plastic crates, containers, pallets or other heavy duty plastic packaging which are reusable and designed to carry a range of products
- single-use packaging components such as pallet wrap and retaining straps
- reusable mail sacks
- road, rail, ship or air containers

Are reusable plastic crates transport packaging?

The Plastic Packaging Tax primary legislation contained in Finance Act 2021 exempts transport packaging where it is imported into the UK filled with goods.

After reviewing information received from industry regarding reusable plastic crates, HMRC have determined that reusable plastic crates fall within this definition of transport packaging. This means they are exempt from Plastic Packaging Tax when imported filled with goods into the UK. This exemption will also apply to pallet wrap and straps when used to import goods.

These items are not exempt from PPT when they are manufactured in the UK or imported unfilled.

What about businesses that have paid Plastic Packaging Tax on reusable plastic crates already?

PPT has been in place since 1 April 2022 and only one return has been required from liable businesses. Businesses can amend a previous return if they accounted for transport packaging items by signing into their Plastic Packaging Account and choosing 'View or amend submitted returns'. If businesses are due a repayment as a result, they can request a repayment through their online account.

Does transport packaging only include packaging around multiple sales units or can it apply to just one unit e.g., packaging around a car or an oven?

Transport packaging refers to packaging that is conceived to facilitate the handling and transport of a number of sales units grouped together in order to prevent both physical handling and transport damage. The exemption for transport packaging does not apply to packaging around a normal sales unit or number of sales units on import, typically known as primary and secondary packaging.

Does the tax treatment of reusable plastic crates change depending on whether they are leased or owned?

No. The tax treatment of reusable plastic crates does not differ. As with other packaging, the business that must account for PPT, where it is in scope, is the business that manufactures or imports it.

Reusable plastic crates which are imported into the UK filled with goods will not be subject to PPT and will not need to be declared on the importers return.

Are intermediate bulk containers (IBCs) transport packaging?

IBCs will remain in scope of the tax when imported filled, as they are used to import a single sales unit and therefore do not meet the definition of transport packaging.

What packaging does the medical exemption apply to?

The immediate packaging of licensed human medicines is exempt from the tax. The exemption for the immediate packaging of human medicines, is for medicines recognised by the Medicines and Healthcare products Regulatory Agency (MHRA). Other medical packaging, for example the packaging used for medical devices, will be subject to the tax.

Record keeping

What records do I need to keep?

You will need to keep records to show the total amount in weight of the packaging component, where applicable, the data and calculation used to determine the recycled plastic content and that the input material is recycled plastic, the weight of plastic packaging that is exempt and the reason for the exemption and the amount in weight of exported plastic packaging.

Additionally, if you manufacture or import packaging components which contain plastic but it's not the predominant material by weight, you may want to keep records to show the weight of the all the materials used to manufacture the packaging to demonstrate the component is not taxable.

Further information and examples on record keeping are available on GOV.UK: [‘record keeping and accounts for plastic packaging tax’](#).

How will a liable business demonstrate to HMRC plastic packaging they manufacture, or import is not chargeable to the tax?

Businesses will need to hold evidence to demonstrate that the tax is not chargeable on any packaging they manufacture or import where it is:

- plastic packaging that contains at least 30% recycled plastic
- plastic packaging that is exempt under the packaging for human medicinal products exemption
- packaging which contains plastic, but where plastic is not the predominant material by weight
- plastic packaging that has been permanently set aside for a non-packaging use

Businesses do not need to keep evidence of plastic packaging that is exempt under the transport packaging for imported goods exemption.

Many businesses already keep records of the products they manufacture including the amount of recycled plastic in their packaging, particularly in sectors where packaging is already regulated such as food and cosmetics. Some businesses also audit their supply chains to national and international standards. In line with other taxes, we will take a risk-based approach to compliance and where businesses are using related standards/schemes, it will give us greater assurance about the claims they are making.

HMRC will not be mandating specific records which need to be retained as evidence. You should keep any records and documents you have received or have produced that will be used to inform your tax return, including any exemptions or reliefs claimed. To support businesses, we have published guidance on [GOV.UK](#) giving examples of the type of records you will need to keep.

VAT

Is VAT applied before or after PPT?

VAT is charged on the price of the good as normal. If businesses choose to pass on the cost of the Plastic Packaging Tax through higher prices, then VAT will be charged on the new, higher price of the goods.

Invoices

What do I need to include on the statement alongside invoices?

The requirement to include a statement with your invoice that the tax has been paid, which was due to commence in April 2022, has been delayed.

You are encouraged to make the Plastic Packaging Tax you have paid visible to your business customers, and work with them to try and increase the amount of recycled plastic used wherever possible.

Further information about this requirement will be published in due course. We will give businesses time to prepare and make any required changes to their systems.

When will you consult on the requirements for statements on invoices?

The government will consult with industry stakeholders on the requirement and will give ample time for businesses to prepare to implement the changes.

Registration

When will businesses need to register for the tax?

The registration service opened on 1 April 2022.

You need to register for Plastic Packaging Tax if you meet either of the following test:

- you expect to manufacture or import 10 or more tonnes of finished plastic packaging components in the next 30 days (the 'forward look' test)
- you manufactured or imported 10 or more tonnes of finished plastic packaging components within the last 12 months (the 'backward look' test)

As the tax started on 1 April 2022, this second test works differently between 1 April 2022 and 31 March 2023. You only need to look back to 1 April 2022.

If a business meets both of the tests, they must register from the earliest applicable liability start date, which will be the date produced by the 'forward look' test.

Further information on registration, including the link for the registration system, is available on GOV.UK at <https://www.gov.uk/government/collections/plastic-packaging-tax>.

What packaging do I need to include towards the 10 tonnes threshold?

The only packaging you do not count towards the 10 tonnes threshold when working out if you need to register for the tax or not is: transport packaging used to import goods into the UK; packaging used in aircraft, ship, and rail goods stores; packaging that's integral to the product; packaging where the packaging function is secondary to the storage function; and packaging designed primarily to be reused for the presentation of goods.

Will guidance be issued on how to de-register a company (in order to re-register as part of a Group)?

This is currently in development, but please contact via an online form link at www.gov.uk/government/plastic-packaging-tax until this is published.

Tax returns and exports

How do I claim tax credits on the return?

Tax credits can be claimed if you've paid Plastic Packaging Tax for finished plastic packaging components you have manufactured or imported which are then either:

- exported and you have records to show this
- converted into a different finished plastic packaging component — this will stop the tax being paid twice.

Tax credits for packaging that you manufactured or imported in the current return period are claimed in the total weight of finished plastic packaging components you directly exported. For packaging that

you manufactured or imported in a previous return period, there is a separate entry for tax credits claims.

You must keep records of evidence to support your claim.

What information do I need to provide on a tax return? / What else will I need to include in my return?

The information you will need to provide on your quarterly return will include the total weight of plastic packaging components:

- manufactured in the UK
- imported into the UK
- you directly exported, or that you accounted for in this return period and you are claiming a tax credit for
- used for immediate packaging of licensed human medicines that were not exported
- that contained 30% or more recycled plastic which were not exported
- you accounted for in a previous return period and are now claiming a tax credit for.

All figures are reported in kilograms. Depending on your circumstances, you may not need to include information for all entries.

What if I export packaging in the same accounting period that I imported/ manufactured it? Do I still need to submit a return?

If you export plastic packaging in the same accounting period that you manufactured or imported it, you will still need to declare this on your return for that period.

How do I get tax relief on exported plastic packaging components?

If you export the packaging yourself, you can defer your liability to pay the tax for up to 12 months.

If someone else exports the packaging, you will need to account for the tax, but once the export has taken place and you have the records to show this you can claim a tax credit back on your next return. You will have two years to claim a tax credit from the date the packaging was originally manufactured or imported.

If the direct export condition is no longer met/the 12-month window expires, can I still claim a tax credit if the export takes place after 12 months?

If the 12-month window for deferring your tax liability for exported plastic packaging expires, you will need to account for the tax.

However, you can still claim a tax credit if it is later exported as long as the export takes place within 2 years of manufacture or import of the plastic packaging component.

What happens if I don't export my packaging within the 12 months limit?

You will have 12 months from the date the packaging was manufactured or imported to export the packaging. If the 12 months elapses and the export has not taken place you will need to pay the tax on your next tax return. This is the same if you decide within the 12 months to release the packaging onto the UK market and not export it.

If we import plastic packaging, pay the PPT due, without deferring, and then export the packaging can we still claim the PPT tax credits on export?

You can claim a credit if you've paid Plastic Packaging Tax for packaging you have manufactured or imported which is then either exported (and you have records to show this), or converted into a different packaging component — this will stop the tax being paid twice.

The credit must be claimed within 2 years of the packaging being either manufactured, imported or converted into a different packaging component.

Once the packaging has been exported or converted into different packaging, and you have evidence to show this, you can account for the credit on your next tax return.

What evidence do I need to keep for direct exports?

If a component has been exported, you must keep sufficient evidence that the export took place. You may need to obtain this from another business. Commercially sensitive information can be redacted, provided that the records make clear that the components were exported.

The evidence must show that the components have been exported, they must be either:

- a document for any other tax or duty
- another document, such as an export invoice

What evidence do I need from my customers to claim a tax credit for subsequent conversion?

If a component has been converted into a new component, you must keep sufficient evidence that the conversion took place. This could be the production records for the new components, showing that the original components were used. You must also give evidence to demonstrate if Plastic Packaging Tax is due for the new component.

What evidence do I need from my customers to claim a tax credit for indirect exports?

If a component has been exported, you must keep sufficient evidence that the export took place. You may need to obtain this from another business. Commercially sensitive information can be redacted, provided that the records make clear that the components were exported.

The evidence must show that the components have been exported, they must be either:

- a document for any other tax or duty
- another document, such as an export invoice

My customers refuse to tell me if they export or modify packaging. How can I claim the credits I am entitled to?

In most cases it will be in your customers' own interests to tell you if a packaging component has been exported or converted.

You will not be able to apply for a tax credit without appropriate evidence from the customer.

If the customer has completed a further substantial modification after you have accounted for the tax, liability to pay the tax may rest with them. If substantial modification happens as part of the packing or filling process it is not substantial modification, and the last substantial modification will be the last substantial modification before the packing or filling process.

Can the business that exports the packaging claim the tax credit even if they weren't the business that paid the tax?

Only the business that accounted for the tax on the exported packaging can claim a credit. This approach minimises the fraud the risk of fraudulent claims.

Is it mandatory for my customers to tell me the packaging has been exported so I can claim a tax credit?

It is not mandatory for customers to tell you that packaging has been exported. However, they may have incentive to do so if the cost of the tax is passed on through higher prices.

Can I use tax credits to offset against PPT tax liabilities/get a refund?

Tax credits can be used to offset against current and future Plastic Packaging Tax liabilities.

Depending on your circumstances, it may be possible for a refund to be issued.

Is there a time limit for claiming tax credits on exported packaging?

The tax credit must be claimed within 2 years of the manufacture or import of the packaging.

I export plastic packaging and it is sent back to UK with the finished product in. Can I claim tax back?

Where plastic packaging is intended for export, payment of the tax can be deferred for up to 12 months as long as certain requirements known as the 'direct export condition' are met. If the packaging is exported within the 12-month period, the liability for Plastic Packaging Tax is cancelled.

If you have accounted for Plastic Packaging Tax on packaging that was intended for the UK when it was manufactured or imported, but is subsequently exported from the UK, you can claim a tax credit.

If packaging is reimported into the UK, the tax will need to be accounted for on it as it would with any other plastic packaging component.

Will HMRC share a template for completing the PPT return?

The return will be completed using an online service available from 1 July.

Due diligence and compliance

What does due diligence mean?

In general terms, due diligence is the appropriate reasonable care a business exercises when entering into business relationships or contracts with other businesses. It is a series of checks to identify and manage any risk that a business may have within a transaction or supply chain. Reasonable care is using sound judgement or acting in a sensible manner. The actual due diligence carried out by a business should be proportionate to the level of risk it identifies.

How do I complete sufficient due diligence?

You should carry out due diligence checks in respect of Plastic Packaging Tax if you manufacture or import plastic packaging components, or purchase them from another business. Due diligence checks will help protect your business if any business you trade with avoids or evades PPT, or does not comply with the requirements for PPT. You should keep records of any checks you do.

Further guidance on what constitutes sufficient due diligence is available on GOV.UK: ['how to make due diligence checks for plastic packaging tax'](#).

How will HMRC ensure that businesses comply?

HMRC has developed a comprehensive compliance strategy which is based on HMRC's general approach of "promoting compliance", preventing and responding to "non-compliance".

HMRC has a range of enforcement and inspection powers to ensure compliance with the tax and will only resort to using tougher sanctions where businesses seek to deliberately evade the tax.

How will HMRC support businesses to get the tax right?

HMRC understands this is a new tax and businesses want reassurance they are preparing appropriately. We are working closely with industry to help businesses understand and be able to comply with the requirements. As with other taxes, we will do all we can to help businesses comply with the tax. We know that some businesses will need help with understanding their tax liabilities and others will seek to evade paying it. We will help businesses get it right at each step and will only resort to using enforcement powers where needed.

Weighing/calculating recycled content etc

How do I weigh tape used on imported packaging – it will vary?

We have outlined the different weighing methods you can use to determine the weight of a packaging component on [GOV.UK](#)

We recognise that given the unique properties of tape, the amount of tape applied to goods can vary, and arriving at the exact weight if other materials such as cardboard are stuck to it, may be more

challenging. Where a business can demonstrate that they've taken reasonable steps to arrive at the weight of the tape, HMRC will not penalise them for this.

This could mean measuring the amount of tape applied to a product and comparing to unused tape and/or regularly checking the weight being used remains indicative.