

Guide to plastic packaging tax

The plastic packaging tax (PPT) is a new tax that will be introduced on 1st April 2022

Why is it being introduced?

- To encourage the use of more recycled plastic and to encourage the use of mixed material packaging
- The rate will be £200 per tonne of plastic packaging placed into the UK market
- It will apply to plastic packaging produced in or imported to the UK and that does not contain at least 30% recycled plastic.
- There will be an exemption for manufacturers and importers of less than 10 tonnes of plastic packaging per year.

How to calculate the recycled plastic content in your plastic packaging components

$$\frac{\text{Recycled plastic weight}}{\text{total weight of all plastic elements}} \times 100$$

For example: $450g + 1500g \times 100 = 30\%$

Who has to pay the plastic packaging tax?

- Those who produce or import plastic packaging that does not contain at least 30% recycled plastic.
- Those that manufacture or import 10 or more tonnes of plastic packaging over 12-months

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

- Use in the supply chain**
 - Bottles designed for single use
 - Bottle tops or caps
 - Labels designed to present the goods and describe the product contents
 - Trays designed to contain and protect food, such as ready meal trays
 - Chip packets
 - Coat hangers
- Single use by the consumer**
 - Plastic bags
 - Disposable cups

Who doesn't pay the tax due to government product exemption?

- Businesses who fall under the 'amber' category, do not need to pay the tax because they are exempt for a specific reason.
- You could be exempt from paying the tax for the following reasons because your packaging is...
- Used for licensed human medicine** - Drug bottles
 - Used to transport imported goods** - Pallet wrap
 - An integral part of the goods** - Ink cartridges and ink refills
 - Primarily designed to be re-used** - Reusable coffee cups

Who doesn't pay the plastic tax?

- Businesses whose annual plastic weight does not exceed 10 tonnes
 - Businesses whose plastic packaging contains at least 30% recycled plastic
- For example:
- A water bottle made up of 20% recycled PET plastic and 80% non-recycled PET plastic would not be liable to the tax

Reporting

There is a 30 day notification period to notify HMRC of the need to register. The notification period starts when:

- In the next 30 days, the threshold of 10 tonnes will be surpassed.
- The threshold of 10 tonnes was surpassed in the previous 12 months.

Key records needed for the tax are:

- Total weight and a breakdown of the materials used to manufacture plastic packaging
- The weight of recycled materials
- Weight of exempted plastic packaging and the reason for the exemption.
- The weight of finished plastic packaging exported as you could be granted a relief from the tax

What can HLP Klearfold do for you?

HLP Klearfold produces PET plastic made from up to 100% recycled plastic. We have a range of products designed to help you reduce your plastic packaging footprint and help you meet your sustainability goals.

Find out how HLP Klearfold can guide you through your transition to using 100% recycled plastics and help you fulfil your sustainability goals.



References:
[HMRC: Reporting requirements for the introduction of plastic packaging tax from April 2022](#)
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