

# Are you ready for the Plastic Packaging Tax deadline?

On 1 April 2022, the government introduced a new tax called Plastic Packaging Tax (PPT) which aims to encourage the use of recycled plastic within plastic packaging.

PPT applies to finished plastic packaging, which is manufactured in, or imported into, the UK and the plastic used in its manufacture is less than 30% recycled. The rate of the tax payable to HMRC is £200 per metric tonne of plastic packaging.

Businesses are required to register for PPT if they have imported or manufactured 10 tonnes or more of plastic packaging since 1 April 2022 (on a 12-month rolling basis) or if they expect to import or manufacture 10 tonnes of plastic packaging in the next 30 days alone.

## How does it affect you?

If you manufacture or purchase plastic packaging in the UK or import plastic packaging from overseas, you should review if you are affected by PPT. This can include:

- 1** A due diligence exercise to lessen the risk of being involved in a supply chain where PPT due goes unpaid. If the business you trade with either avoids, or evades paying PP, or simply does not comply with its PPT requirements, you could be held liable for any unpaid PPT.
- 2** If your supplier is liable to PPT, the cost of the tax will be recharged to you. This will increase your business costs. Unlike VAT charged by suppliers, PPT cannot be reclaimed.
- 3** If you are required to register for PPT, you will need to collate information which provides details of the percentage of recycled plastic packaging. If your business is required to account for PPT, you should increase your prices to pass this cost onto your customers.

## Want to find out more?

Please email [Jonathan Main](#) or [Carolyn O'Shea](#) for further information on the Plastic Packaging Tax deadline.

You can also contact a member of a VAT advisory department at MHA Moore and Smalley on 0161 519 5050.

## How can we help?

We have advised on a wide range of issues including:

- **Registration for PPT**  
You may have determined that you are not required to be registered for PPT. We can discuss your thought process to provide you with additional content.
- **Exemption from PPT**  
The products you manufacture, or import may be exempt from PPT. This includes plastic packaging for human medicinal products and specialised products which are recorded as being used for something other than packaging, for example, film to coat whiteboards. It may also be the case that you are exempt from PPT but are still required to be registered.
- **Your supplier is charging your business PPT**  
We can review the products you are purchasing and determine if PPT is being correctly charged to you. Should your supplier be incorrectly charging you PPT, we can assist in the recover of tax from your supplier.
- **The first PPT return for the period 1 April 2022 to 30 June 2022 is due to HMRC on or before Friday 29 July 2022**  
We can review your calculations for the PPT return to ensure the tax has been calculated correctly and determine if there is any opportunity for exemption or deferral of the tax. We can also review the records you hold, to support the PPT return meeting the requirements specified by HMRC.