

Product Risk Radar

UK Plastic Packaging Tax

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What is the Plastic Packaging Tax?

The UK Plastic Packaging Tax (“PPT”) came into force on 1 April 2022. The PPT was introduced in the [Finance Act 2021](#) with the [Plastic Packaging Tax \(General\) Regulations 2022](#) setting out the specific requirements for the regime.

The PPT builds on the existing plastic carrier bag charge introduced under the Climate Change Act 2008. The Government’s aim in introducing the tax was to encourage businesses to ensure that more packaging can be recycled and to increase the use of recycled content used in packaging.

What are the key takeaways?

- The PPT first applies when a business has manufactured or imported 10 or more tonnes of plastic packaging in the last 12 months, or expects to import into the UK or manufacture in the UK 10 tonnes or more of plastic packaging in the next 30 days.
- A plastic packaging component is chargeable to the tax rate of £217.85 per tonne if the proportion of recycled plastic in the component, when measured by weight, is less than 30%. It was announced in the [2024 Autumn Statement](#) that it will increase to £223.69 per tonne from 1 April 2025.
- Registration for the PPT is mandatory within 30 days of becoming liable. Failure to register and pay the tax can result in penalties.
- Businesses can be held jointly and severally liable for any unpaid PPT in the supply chain. The Government has published [guidance](#) on how to conduct supply chain due diligence checks.
- Liability to pay the tax can be deferred or cancelled for exports, and exemptions are available for plastic packaging components used in the delivery of goods into the UK.
- Enforcement and penalties are similar to those relevant for other HMRC taxes. The criminal offences of fraudulent evasion and making misstatements apply, in addition to penalties.

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What does this mean for your business?

If your business has manufactured or imported the specified amount of plastic packaging (currently 10 or more tonnes) in the last 12 months, or expects to import into the UK or manufacture in the UK specified amounts of plastic packaging (10 or more tonnes) in the next 30 days then your business must register for the tax. For the purposes of PPT, “plastic” means a polymer material to which additives or substances may have been added. Cellulose-based materials which are chemically modified, such as cellulose acetate, will be considered plastic.

Additionally, businesses should carry out due diligence checks on their suppliers to reduce the risk of being involved in a supply chain where PPT due goes unpaid. If these checks are not made, businesses could be held jointly and severally liable (or secondarily liable) for any unpaid PPT.

If registered for the PPT, businesses must keep accurate accounts and records to support the information submitted in quarterly tax returns, including a breakdown of the weight of plastic packaging components finished or imported in each period and evidence of any exemptions from the tax (e.g., 30% or more recycled plastic content).

Next steps

If you have not already done so, check whether your business falls within the scope of the tax by assessing previous manufacturing and importation records and future expectations. Businesses can register for the PPT [here](#). HMRC is encouraging businesses to make the plastic tax visible on their sales invoice to increase the visibility of the tax and show businesses how much more they are paying for their plastic packaging by not switching to using more recycled plastic content.

In October 2024, alongside its Autumn Budget, the government published a [response](#) to its industry consultation on how to recycle plastic packaging. This consultation included consideration of whether to allow a mass balance approach to determining the amount of chemically recycled plastic for the purposes of PPT, and the use of certification schemes to track recycled plastics. The government’s response confirmed that in the future, a mass balance approach will be allowed for the purposes of PPT. This could make the calculation of the amount of a chemically recycled plastic in a plastic packaging component easier for in scope businesses.

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Contacts



Kate Corby

Partner
London

+44 20 7919 1966
kate.corby
@bakermckenzie.com



Graham Stuart

Partner
London

+44 20 7919 1977
graham.stuart
@bakermckenzie.com



Joanne Redmond

Senior Associate
London

+44 20 7919 1067
joanne.redmond
@bakermckenzie.com



Rachel MacLeod

Senior Associate
London

+44 20 7919 1364
rachel.macleod
@bakermckenzie.com



Phoebe Bruce

Associate
London

+44 20 7919 1117
phoebe.bruce
@bakermckenzie.com