

BAA meeting with HM Treasury officials

14 November 2013

Association calls for current Aggregates Levy to be replaced by 10p per tonne levy across the board

THE British Aggregates Association (BAA) is today meeting with Treasury officials as part of the consultation into HM Revenue & Customs' proposed suspension of certain Aggregates Levy exemptions, exclusions and reliefs. During the meeting, the BAA intends to make the point that HMRC's proposed new classification for aggregates is neither competent or adequate. The Association also believes there are significant problems that have been missed altogether, and that the consultation process will simply reopen old arguments. The BAA will also argue that there never were any significant environmental problems with aggregate quarries, and that the Aggregates Levy was nothing more than a stealth tax.

It is the Association's contention that the most environmentally sensitive way to produce aggregates is by small to medium-size quarries located as close as possible to the end-user, a balance that the Levy has seriously upset. Moreover, the BAA will claim that if the main exemptions are removed, the Levy will have no environmental credentials and will no longer qualify as an environmental tax, therefore a new justification will have to be made to Parliament.

The BAA also believes that HM Treasury is being disingenuous in claiming that it has 'no plans to recover exempt payments'. It says the Treasury will be legally obliged to do so going back to 2002 if the exemptions are found to have been illegal state aid by the EU Phase 2 investigation, a result which, says the BAA, is virtually certain.

According to the BAA, the only logical resolution is for the Aggregates Levy to be scrapped altogether and be replaced by a 10p per tonne levy across the board. This, it says, would raise some £20 million per year for local infrastructure improvements and be administered by local community councils.