

From Construction News 18 May 2006

**European judges to issue final aggregates tax decision in the summer**

## **Quarry Firms claim £36m in levy rebate**

By Paul Thompson

QUARRIERS have tabled claims for repayment of aggregates levy totalling more than £30 million in less than a month.

Law firm Herbert Smith has received instructions from aggregate producers to reclaim a total of £36 million from the Government so far and expects this figure to rise.

The legality of the aggregates levy is currently being challenged by Herbert Smith, representing industry body the British Aggregates Association at the European Court of First Instance, and judges could declare the tax illegal, prompting the Government to repay the levy.

In an effort to maximise repayments, the association has urged quarriers to table precautionary claims so that they can retrieve the tax they have paid within the past three years before rules limiting payments come into effect.

According to Herbert Smith, 40 quarries have asked it to make these claims on their behalf and the government could be left facing a £36 million bill if the court rules against the tax.

But with more than £1.3 billion in levy paid to the Government since its introduction in April 2002, that number is sure to spiral upwards.

BAA director Bob Durward said that more quarries were tabling claims and it was only a matter of time before the values increased. He said: "This is just the tip of the iceberg. More claims are rolling in by the minute and the total value will increase. You cannot expect companies to sit idly by while £1.3 billion is up for grabs."

And he underlined the fact that aggregate producers do not need to agree to reimburse customers before they can claim back the tax.

He said: "There are a few false rumours circulating the industry and it is definitely not correct that a quarry must agree to reimburse customers as a precondition to recovering aggregates levy."

Mr Durward revealed that judgement was expected to be handed down by the court either immediately before it breaks for summer in mid-July or immediately after its return in the first week of September.

[paul.thompson@emap.com](mailto:paul.thompson@emap.com)