

	UK	SPAIN	ITALY
<b>Terminology</b>			The so-called Italian “plastic tax” is a tax on the consumption of single-use plastic manufactured goods (manufatti con singolo impiego, hereinafter “MACSI”)
<b>Entry into force</b>	April 1. 2022	Jan 1, 2023	Jan 1, 2023
<b>Reference to legislation</b>		Spain has implemented the tax as part of the Law 7/2022, dated 8th April	Introduced by art. 1, paragraphs 634 – 658, of Law 160/2019, in order to disincentivize the production of single-use plastic products,
<b>SUBSTANCE</b>			
<b>Taxable person</b>	<ul style="list-style-type: none"> <li>• <b>Manufacturer</b></li> <li>• <b>Importer</b></li> <li>• <b>Group registration should be available</b></li> </ul> <ul style="list-style-type: none"> <li>• Registration opens on 1 April 2022 and is required if:</li> <li>• After 1 April 2022, a business expects to import or manufacture at least 10 tonnes of plastic packaging in the following 30 days; or</li> <li>• A business has manufactured or imported at least 10 tonnes of plastic packaging in the previous 12 month period</li> <li>• Registration required even if packaging is covered by exemptions and exclusions and the business does not have to pay any tax</li> <li>• Businesses based outside UK must be registered if they import into the UK</li> </ul>	<p>The Spanish plastic tax applies on the following transactions involving the above-described non-reusable plastic packaging:</p> <ul style="list-style-type: none"> <li>- The manufacture or production of the plastics in scope. The tax point rule in this case occurs when the first delivery is made or made available to the purchaser. In case of advance payments, the tax will be due at the time the total or partial collection of the price is actually received.</li> <li>- The intra-Community acquisitions of the plastics in scope. The tax is due by the 15th day of the following month the transport was initiated, or by the time the invoice is issued – whatever occurs first.</li> <li>- The imports of those products. The plastic tax is due when the import is made at customs, in line with the time the custom duties are due.</li> </ul> <p>The irregular introduction of those products in Spanish territory.</p>	<p>The plastic tax is triggered by:</p> <ul style="list-style-type: none"> <li>- production of MACSI;</li> <li>- introduction of MACSI into Italy from other EU Member States;</li> <li>- definitive import of MACSI into Italy.</li> </ul>

<p><b>Taxable transaction</b></p>	<ul style="list-style-type: none"> <li>• Packaging component: <b>suitable for use</b>, whether alone or in combination with other products, in the containment, protection, handling, delivery or presentation of goods at any stage in the supply chain of the goods from the producer of the goods to the consumer</li> <li>• Plastic packaging component: <b>contains more plastic</b>, when measured by weight, <b>than any other single substance</b></li> <li>• Chargeable: <b>plastic content is less than 30% recycled plastic</b> (by weight), and it is finished</li> </ul>	<ul style="list-style-type: none"> <li>- Non-reusable plastic containers.</li> <li>- Semi-finished plastic products intended for production of non-reusable plastic packaging.</li> <li>- Plastic products intended to allow the closure, trading or presentation of the non-reusable containers.</li> </ul>	<p>The tax applies to products intended for the “containment, protection, handling or delivery of goods or foodstuffs” made using “plastics consisting of organic polymers of synthetic origin” and basically not designed to be used repeatedly (single-use products).</p> <p>The draft decree contains a non-exhaustive list of manufactured goods that are included among the MACSI subject to tax. These include plates, preforms, bottles, caps, containers, lids, bags, packaging, films, foils, and, and all other polymeric products, however shaped or mouldable, suitable to constitute a wrapping or part of a wrapping for goods or food products.</p> <p>MACSI made with the use, even partial, of plastic materials consisting of organic polymers of synthetic origin included under customs headings 3901, 3902, 3903, 3904, 3905, 3906, 3907, 3908, 3909, 3910 and 3911 of the Combined Nomenclature of the European Union will be subject to the plastic tax.</p> <p>Among others, the following are considered MACSI subject to the plastic tax:</p> <p>semi-finished products (including preforms) made with the use, even partial, of plastic materials, used in the production of MACSI;  devices, made with the use, even partial, of plastic materials, which allow the closure, marketing, or presentation of MACSI, or of manufactured goods made entirely of materials other than plastic materials.</p>
<p><b>Place of Supply</b></p>	<p>UK</p>	<p>Spain</p>	<p>Italy</p>

<p><b>Chargeable event</b></p>	<ul style="list-style-type: none"> <li>• When ‘finished’ plastic packaging is <b>manufactured in the UK</b>. Packaging is considered ‘finished’ when it has undergone its last substantial modification</li> <li>• <b>Importation:</b> At the time of import clearance</li> </ul>		<p>Plastic tax liability arises at the time of the release for consumption of the MACSI in Italy, which occurs:</p> <p>for MACSI produced in Italy, at the time of their transfer to other Italian subjects;</p> <p>for MACSI coming from other EU Member States, upon their purchase in Italy in the exercise of an economic activity, or upon their transfer to a private consumer;</p> <p>for MACSI coming from non-EU countries, at the moment of their definitive import in Italy.</p>
<p><b>Exemptions</b></p>	<ul style="list-style-type: none"> <li>• <b>The tax will not apply when more than 30% of the product has recycled plastic</b></li> <li>• Exclusions: primary storage function; integral part of the goods; packaging re used for presentation</li> <li>• Exemptions: transport packaging for import; medicinal packaging; use as stores for air, sea, rail; other use items</li> <li>• Deferrals and credits: exports; conversion to a different packaging component</li> </ul>	<p>Some products are exempt or zero rated. This is the case, for example, of the plastic packaging for pharmaceutical products, and other types of goods that are related to health care and hospital use; when the plastic packaging is sent outside the Spanish territory; when the product introduced in the country will be destroyed or is inadequate for its use, or in case of low volume intra-community acquisitions and imports – when the non-reusable plastic packaging weight does not exceed 5kg per month. However, there are formal obligations that still remain in case of exempt or zero rated transactions.</p>	<ul style="list-style-type: none"> <li>- MACSI that are compostable in compliance with UNI EN 13432:2002;</li> <li>- medical devices classified by the Single Commission on Medical Devices pursuant to art. 57 of Law 289/2002; MACSI used to contain and protect medicinal preparations.</li> <li>- The tax is also not due on the plastic material contained in the MACSI that comes from recycling processes.</li> </ul>

## Liability

- **The manufacturer**, who intends to sell chargeable plastic packaging manufactured in the UK to British customers.
- **Importation: The consignee** (or person on whose person they act) will be liable for the PPT on the packaging component of the imported goods.
- **Secondary/joint and several liability** means that businesses will need to undertake due diligence on their suppliers

In general lines, the sole traders and companies that are producers, intra-Community acquirers, or importers of the goods in scope of the plastic tax.

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The taxpayers producing the product in scope, or making intra-Community acquisitions of it, will have to submit the plastic tax return following the same reporting periods as their periodical VAT returns – either monthly or quarterly. The importers will have to pay the tax at Customs

Taxpayers subject to the Spanish plastic tax must register in the special register for plastic tax, the latest by the 30th January 2023.

Also, the Spanish plastic tax impacts on the invoicing requirements: producers will have to include on the invoice the amount of the tax due, the KG of plastic subject to the tax or, in case an exemption applies, the article of the Law containing such exemption. Also, in the rest of cases, the acquirers shall request their suppliers to include similar data on a certificate or in the invoice received.

The tax is not due for MACSI sold directly by the manufacturer for consumption in other EU Member States or exported Plastic tax is payable by:

### **for MACSI produced in Italy:**

- the manufacturer; or
- the seller, i.e., any entity, resident or not resident in Italy, that intends to sell MACSI, produced on its behalf, to other Italian entities.

The subject that produces MACSI using other MACSI on which the tax is due by another subject, without the addition of further plastic materials, is not considered a manufacturer;

### **for MACSI coming from other EU Member States:**

- the purchaser, i.e., the subject who purchases the MACSI in the exercise of its economic activity; or
- the transferor, if the MACSI are purchased by a private consumer;
- for MACSI coming from non-EU countries, the importer.

			<p>For MACSI manufactured in Italy or coming from other EU Member States, the tax due must be paid:</p> <p>by the deadline for the submission of the plastic tax return to be filed with the Customs and Monopolies Agency (the deadline is the end of the month following the calendar quarter to which the return refers); exclusively by means of the F24 payment form, with the possibility of offsetting the amount with other taxes and contributions.</p>
<b>FORMAL ASPECTS</b>			
<b>Taxable amount</b>	<ul style="list-style-type: none"> <li>• The amount of the tax is calculated based on <b>the amount of chargeable plastic packaging manufactured or imported</b></li> </ul>	The taxable base will be constituted by the amount of nonrecycled plastic, expressed in kilograms, contained in the Products	
<b>Tax rate</b>	<ul style="list-style-type: none"> <li>• <b>Applicable tax rate of £200 / metric tonnes</b></li> </ul>	<p>The taxable base is calculated based on the weight in Kilograms of the non-reusable plastic in scope, and the rate is EUR 0.45 / KG.</p> <p>The amount of non-reusable plastic subject to taxation will need to be certified by a third party.</p>	The tax is fixed at 0.45 euro per kilogram of plastic material contained in the MACSI.
<b>Invoicing Requirements</b>	<ul style="list-style-type: none"> <li>• <b>Evidence requirements:</b> plastic packaging is treated as subject to the tax unless it can be shown otherwise</li> <li>• <b>Statement with invoices:</b> this requirement has been postponed (effective date to be confirmed)</li> </ul>		
<b>Deduction</b>	If single use containers will be or have been <b>exported</b> , this may give rise to a reduction of liability or a refund.	Also, a deduction and refund systems are put into place to avoid double taxation and ensure the application of the exemptions described in the Law.	The tax is refunded when unduly paid; the refund is requested, under penalty of forfeiture, within two years from the date of payment. The statute of limitations for the recovery of the credit is five years.

<p><b>Accounting &amp; reporting</b></p>	<ul style="list-style-type: none"> <li>• Whilst not all businesses will incur a tax cost of PPT, all businesses that purchase/supply goods will be required to keep <b>detailed records</b> of the plastic that they manufacture or import.</li> <li>• Manufacturers will need to know <b>the weight of the plastic that they produce</b> and the recycled content.</li> <li>• For importers , the requirements will be onerous, knowing the weight of total packaging and plastic components, as well as the recycled content.</li> <li>• <b>Quarterly returns and payments</b> will be required -first filing due on 30 July 2022</li> </ul>	<p>In the case of producers, they must keep accounting records for the products manufactured and the materials used for its production. Intra-Community acquirers must keep a register of the products. The electronic accounting record of the stock must be provided to the Spanish Tax Authorities within one month following the end of the reporting period.</p>	<p>The draft quarterly plastic tax return forms have been published, and they require a list of detailed information.</p>
<p><b>Penalties</b></p>	<ul style="list-style-type: none"> <li>• Failure to comply with requirements : <b>a fixed penalty of £500</b> (and a daily penalty of £40 thereafter)</li> <li>• Added to existing tax penalty regimes for both failure to register and providing a document to HMRC containing an error</li> <li>• Introduces <b>new criminal offences</b> in relation to evasion and facilitation , as well as deliberate mis-statements</li> </ul>		<p>In cases of non-compliance of plastic tax obligations, administrative penalties apply as follows:</p> <ul style="list-style-type: none"> <li>- a penalty ranging from double to ten times the amount of tax evaded, in the event of failure to pay the tax;</li> <li>- a penalty equal to 25% of the tax due, in the event of late payment of the tax;</li> <li>- a lump sum penalty ranging from 250 to 2,500 Euro in the event of late submission of the plastic tax return and for any other breach of the relevant tax law provisions.</li> </ul>