Green guidance

General Features | Environmental



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Whilst the government's 'Ten Point Plan for a Green Revolution' policy paper sets out its ten priority strategic aims for the UK to move towards net zero, it is not always so straightforward to find out via gov.uk if there are associated tax incentives or taxes that seek to change polluting behaviour that need to be considered.

The CIOT and ATT have engaged with HMRC with a view to improving the accessibility of tax guidance relating to the UK's net zero strategy. There are green tax incentives/considerations throughout the various taxes, for example:

- VAT: zero-rate for the installation of specified energy saving materials;
- business rates relief: certain green installations in property; and
- employment taxes: allowances for employee electric vehicles.

There is existing guidance for many green tax incentives/dissuaders, but you may already have to know that they exist to be able to find them in gov.uk. If a business or an individual wanted to plan a going greener/net zero strategy based on the Ten Point Plan (tinyurl.com/49u9ym6c) or Build Back Greener (BBG) (tinyurl.com/ycknj8ck) government policy aims, there are no links in either of these reports to the relevant gov.uk pages about the taxes/tax developments mentioned. (For example, tax incentives for cycling, woodlands, R&D and vehicles are in the BBG document.)

Similarly in the government response to the Climate Change Committee report (tinyurl.com/myhm7x38), it mentions some climate change tax developments, though again, readers would have to find the information on these tax policies individually via an internet search on each measure. There is no link to gov.uk to a landing page for net zero and tax.

We would like to see an index page on gov.uk that lists the associated tax considerations for each of the UK's priority net zero targets, so that businesses and individuals can start from an indexed landing page that is easy to find and lists the relevant net zero tax considerations that are linked to the existing or new tax guidance.

Additionally, where governmental reports are published, they too could embed a link to a general net zero tax measures index page, which would facilitate accessing the relevant net zero tax guidance of interest.

HMRC were receptive to our suggestion and agreed in principle to take something forward, though it may be the medium term before a project can progress.

The CIOT and ATT will continue to engage with HMRC on net zero tax measures. We welcome hearing from members about tax and net zero, particularly as we note that there are green projects run by other governmental departments where the tax treatment of funding, transaction arrangements or the impact to the tax position on the recovery of associated costs can raise tax questions, and it is not always straightforward to apply existing guidance to new innovations.

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