CIOT and ATT’s Joint Climate Change Working Group

Briefings Environmental



23 June 2023

The Climate Change Working Group is a joint technical committee of the CIOT and the ATT. Its inaugural meeting was in September 2020.

The remit of the Climate Change Working Group (CCWG) is to consider the implications of climate change and net zero for UK tax policy. This includes:

- ensuring that climate change issues are considered when the CIOT and ATT respond to consultations or discuss policy ideas;
- promoting and participating in debate on tax and climate change, both in public and privately with policymakers and third parties (academia, tax think tanks and campaign groups); and
- undertaking online and media activity in relation to tax and climate change to promote the work of the group and its objectives.

The group is chaired by Jason Collins, supported by the CIOT technical officer Jayne Simpson and the ATT technical officer David Wright. Our CCWG volunteers are from a wide range of backgrounds, including practice, legal, industry and the public sector, all of whom are working with climate change and tax policy on a daily basis.

In May 2021, in order to raise the profile of tax and climate change, the CIOT's CTA annual address (see tinyurl.com/3kpmkj8z) focused on the subject of environmental taxation and specifically the role that tax and other carbon pricing mechanisms play in helping the UK and other countries to meet commitments for reaching net zero carbon emissions. Sir Dieter Helm, a leading environmental economist, gave the address, with Jason and representatives from the IFS and DEFRA as panelists.

Following the publication of the government's report 'Powering up Britain: net zero growth and energy security plans' – setting out the triple objectives of energy security, net zero and green growth – the government launched its consultation on a possible UK carbon border adjustment mechanism, 'Addressing carbon leakage risk to support decarbonisation' (see tinyurl.com/2p57935f). The CCWG is currently preparing its response to this consultation. This topic became the focus of the joint CIOT and IFS Online Debate on 24 May: 'Carbon border adjustment: what approach should the UK take?' (see tinyurl.com/3t46m9nj).

The CCWG has asked HMRC to create new index pages on GOV.UK, listing the climate change and net zero tax incentives and considerations on a single accessible page. We have received an in-principle agreement that this will be taken forward in the medium term. The CCWG is also in contact with HMRC's own net zero team and hope to develop the relationship further.

At our quarterly meetings, we invite representatives with a net zero or climate change focus to discuss wider environmental tax policy, both domestic and overseas. We have had updates on Canadian carbon tax and the UK car fuel duty, and we will host a speaker from the OECD's environmental tax policy team this summer. We have also engaged with external projects with environmental charities and universities with climate change and tax research over the last two years.

The CCWG's work interacts with other CIOT and ATT committees, particularly with the CIOT's indirect tax committee, where CCWG representatives engaged with HMRC on the plastic packaging tax, and with the ATT's Natural Capital Working Group that

looks at the tax implications of the peatland and woodland code, biodiversity net gain and carbon credits.

Our volunteers regularly contribute net zero and environmental tax articles for *Tax Adviser*, including commentary on the importance of a governmental long-term tax strategy for green investment, the plastic packaging tax, and ‘green’ guidance.

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