

Written Ministerial Statement

Commission investigation into particular aggregates levy exemptions

The Economic Secretary to the Treasury (Sajid Javid): On 1 August 2013 the UK Government received notification from the European Commission that it had decided to open a formal investigation in relation to certain exemptions, exclusions and tax reliefs from the aggregates levy.

The Commission has raised no objections to most of the exemptions, exclusions, and tax reliefs from the levy and has made it clear that the levy in its entirety is not in question. Businesses commercially exploiting aggregate in the UK therefore have a continuing legal obligation to pay any levy due on their activities.

The Commission has, however, decided to open a formal investigation procedure to give further consideration to certain aspects of the exemptions, exclusions and reliefs provided under sections 17(3)(e), 17(3)(f)(i) and (ii), 17(4)(a), 17(4)(c)(i) and (ii), 17(4)(f), 18(2)(b), 18(3), and 30(1)(b) of the Finance Act 2001, as amended. A copy of the Commission's decision is being published on the HM Treasury website www.gov.uk/government/publications/aggregates-levy-european-commission-formal-investigation.

The Commission has raised a number of questions and has asked the Government for further explanations and evidence in relation to the exemptions, exclusions, and tax reliefs that remain under investigation but it has not made a final decision on whether any of those exemptions, exclusions and tax reliefs give rise to State aid. The Government is strongly of the view that the exemptions, exclusions, and tax reliefs in question do not give rise to State aid, and will provide further information to the Commission to support that view as part of the formal investigation process.

The Government is therefore only taking steps to suspend the application of those elements of the levy that now form the subject matter of the formal investigation because it is obliged to do so under Article 108(3) of the Treaty on the Functioning of the European Union. A further announcement will be made as soon as reasonably practicable as to the details of the measures to be put in place to discharge the UK's obligations under Article 108(3).

HM Treasury
13 September 2013