

UNITED KINGDOM PLASTIC TAX

NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH

2023 OCTOBER CONTENT UPDATE #1

Introduction

This guide provides an explanation of the most recent changes made to ONESOURCE Indirect Tax Determination, which are designed to implement the new United Kingdom Plastic Packaging Tax. This tax facilitates the calculation of the Plastic Packaging Tax within the United Kingdom.

The tax is applicable to the manufacturing and importation of plastic packaging that contains less than 30% recycled plastic. This applies whether the packaging is manufactured in or imported into the United Kingdom.

By default, the United Kingdom Plastic Tax authority is deactivated. To use it, you will need to activate it. This document outlines the system updates and provides instructions on how to utilize the United Kingdom Plastic Tax authority.

PART I - UPDATES TO DETERMINATION

United Kingdom Plastic Tax

Zones

The authority of United Kingdom Plastic Tax was created and attached to the zones of UNITED KINGDOM and NORTHERN IRELAND.

The following image shows the United Kingdom zones.

Zones	Search	Edit	Alias	Authorities
Selected Zone: UNITED KINGDOM		Selected Authority: (Nothing Selected)		Submit Actions ▼
Authority				
United Kingdom Plastic Tax				
United Kingdom				
United Kingdom Reverse Charge				

The following image shows the Northern Ireland and United Kingdom Plastic Tax zones.

Zones Search Edit Alias Authorities

Selected Zone: NORTHERN IRELAND **Selected Authority:** (Nothing Selected) Submit Actions ▼

Authority

Northern Ireland
United Kingdom Plastic Tax

Authority

The new authority was created with the following attributes:

ATTRIBUTE	VALUE
Authority Name	United Kingdom Plastic Tax
Product Group	Harmonized
Tax Administration Level	Country
Effective Tax Level	Country
Authority Type	FEE
Registration Mask	^(GB)?\d{9}\$ ^(GB)?\d{12}\$ ^GB[A-Z]{2}\d{3}\$ ^XI\d{9}\$ ^XI\d{12}\$ ^XI[A-Z]{2}\d{3}\$

Authority Options

The following authority options were added in the new authority effective 01/01/1901:

AUTHORITY OPTION	CONDITION	VALUE
CR - Registration Requirement	Both	Not Applicable
Filing Groups Goods	None	Yes
GS - Goods Reverse Charge	Not Applicable	Not Applicable
Intra-Company tax free sale - Goods	None	Yes
PRL - Parent Registration Lookup	None	No
Turn Off Authority	None	Yes

Logic Mapping

The following authority logic group was mapped in the new authority effective 01/01/1901:

AUTHORITY LOGIC GROUP	ORDER
WEE_PCL_Goods_JD	1

Fee

The following fee was added in the new authority effective 10/01/2023:

RATE CODE	FEE DESCRIPTION	FEE	UNIT OF MEASUREMENT
PLT	Plastic Packaging Tax	GBP 210.82	TNE

Rules

The following product rules with “End_Use” rule qualifiers were added in the new authority effective 10/01/2023:

PRODUCT GROUP	RULE ORDER	RATE CODE	RULE QUALIFIERS		
			ELEMENT	OPERATOR	VALUE
Harmonized	6999.9998	PLT	LINE.END_USE	=	PLASTIC_TAX
Harmonized	6959.9999	PLT	LINE.END_USE	=	PLASTIC_TAX
Non-Harmonized	7999.9999	PLT	LINE.END_USE	=	PLASTIC_TAX

Northern Ireland

Rules

All rules within the Northern Ireland authority have been updated to reflect a change in the calculation method. i.e. 'Tax on Gross Amount' to 'Tax on Gross and Contributing Authorities'.

United Kingdom

Rules

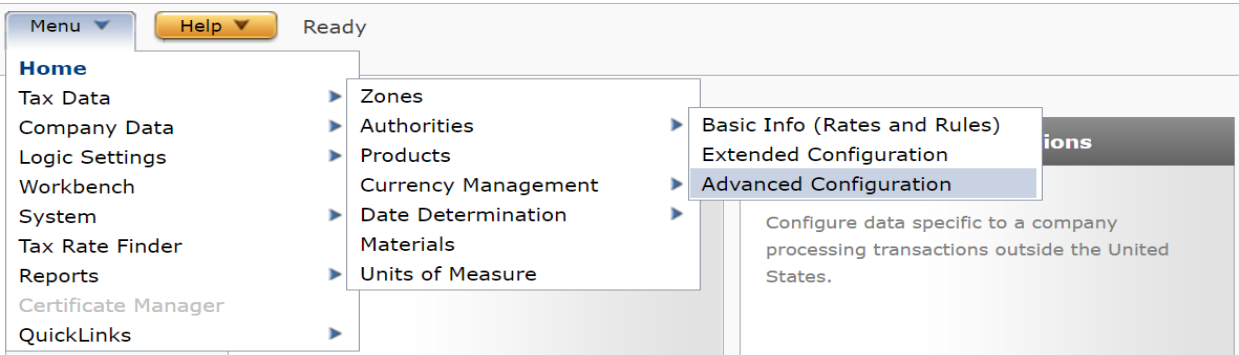
All rules within the United Kingdom authority have been updated to reflect a change in the calculation method. i.e. 'Tax on Gross Amount' to 'Tax on Gross and Contributing Authorities'.

PART II – USING THE AUTHORITY

Turning On the Authority

By default, the United Kingdom Plastic Tax authority is turned off. To activate it, please navigate to the Advanced Configuration section

ONESOURCE™ INDIRECT TAX DETERMINATION



Search for and select the United Kingdom Plastic Tax authority.



Select the Options tab and then click the Actions button and select Add from the drop-down menu. Select the name of the option “Turn Off Authority” and set the condition to None, the value to No and the start date of 10/01/2023. The following image shows these selections.

Advanced Configuration Search Options Logic Mappings

Selected Authority: United Kingdom Plastic Tax **Selected Authority Option:** Submit Actions

Custom Authority Options:

Name	Condition	Value	Start Date	End Date
Turn Off Authority	- None -	No	10/01/2023	

Tax Data Provider Authority Options:

Name	Condition	Value	Start Date	End Date
CR - Registration Requirement	Both	Not Applicable	01/01/1901	
Filing Groups Goods	- None -	Yes	01/01/1901	
GS - Goods Reverse Charge	Not Applicable	Not Applicable	01/01/1901	
Intra-Company tax free sale - Goods	- None -	Yes	01/01/1901	
PRL - Parent Registration Lookup	- None -	No	01/01/1901	
Turn Off Authority	- None -	Yes	01/01/1901	

Contributing Authority Configuration

United Kingdom Plastic Tax authority may be added as a contributing authority to the authorities of United Kingdom and/or Northern Ireland. To add it, access the Extended Configuration section.

ONESOURCE™ INDIRECT TAX DETERMINATION

Menu Help Ready

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Search for and select United Kingdom (and/or Northern Ireland) authority.

Extended Configuration Search Contributing Authorities Currency Specs Material Sets Messages

Selected Authority: United Kingdom Search Actions

Search for Authorities:

Tax Data Type: International Tax Data Authority Name: united kingdom Templates: Custom:

Search Results:

Authority Name	Product Group
Search Results	
United Kingdom	Harmonized
United Kingdom Additional Duty	Harmonized
United Kingdom Import Duty	Harmonized
United Kingdom Plastic Tax	Harmonized
United Kingdom Reverse Charge	Harmonized

Select the Options tab, search United Kingdom Plastic Tax in the authority bar and set the start date of 10/01/2023 or later, then click the Submit button as shown in the following image.

Extended Configuration

SearchContributing AuthoritiesCurrency SpecsMaterial SetsMessages

Selected Authority: United Kingdom

Contributing Authorities

Authority	Basis Percent	Start Date	End Date

Selected Contributing Authority:

SubmitActions

Authority: United Kingdom Plastic Tax

Basis Percent: 100%

Start Date: 10/01/2023

End Date:

Once submitted, United Kingdom Plastic Tax will be shown as a contributing authority.

Extended Configuration

SearchContributing AuthoritiesCurrency SpecsMaterial SetsMessages

Selected Authority: United Kingdom

Contributing Authorities 1 - 1 / 1

Authority	Basis Percent	Start Date	End Date
United Kingdom Plastic Tax	100%	10/01/2023	

Selected Contributing Authority:

SubmitActions

United Kingdom Plastic Tax

Authority: United Kingdom Plastic Tax

Basis Percent: 100%

Start Date: 10/01/2023

End Date:

PART III – TAX RESULTS EXAMPLES

Test 1: Domestic supply of the goods in the United Kingdom

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Goods
Point of Title Transfer	In transit
Ship From Country	United Kingdom
Ship To Country	United Kingdom
Seller's Registration	GB123456789
End_Use qualifier (line level)	PLASTIC_TAX

The following image shows tax results when contributing authority is not configured:

Scenario 2023 October 1st Update - UK Plastic Tax (domestic transactions):

View Results: <input type="text" value="1"/>	Gross Amount: 100.00	Eff%: 30.54%						
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT IT
Country: UNITED KINGDOM	United Kingdom	VAT	S	O		20%	20.00	
Country: UNITED KINGDOM	United Kingdom Plastic Tax	United Kingdom Plastic Packaging Tax	CA		210.82		10.54	
							30.54 USD	
Authority Messages:								
Authority	RuleOrder	Message						
United Kingdom	10000	GCSG1: Standard output VAT in Ship To Location.						
United Kingdom Plastic Tax	6999.9998	CUSTAUTHSST1: Plastic Tax in Ship To location						

The following image shows tax results when contributing authority is configured:

Scenario 2023 October 1st Update - UK Plastic Tax (domestic transactions):

View Results: <input type="text" value="1"/>	Gross Amount: 100.00	Eff%: 32.65%						
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT IT
Country: UNITED KINGDOM	United Kingdom Plastic Tax	United Kingdom Plastic Packaging Tax	CA		210.82		10.54	
Country: UNITED KINGDOM	United Kingdom	VAT	S	O		20%	22.11	
							32.65 USD	
Authority Messages:								
Authority	RuleOrder	Message						
United Kingdom Plastic Tax	6999.9998	CUSTAUTHSST1: Plastic Tax in Ship To location						
United Kingdom	10000	GCSG1: Standard output VAT in Ship To Location.						

Test 2: Importation of the goods into the United Kingdom

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Goods
Point of Title Transfer	In transit
Ship From Country	Germany
Ship To Country	United Kingdom
Buyer's Registration	GB123456789
End_Use qualifier (line level)	PLASTIC_TAX

The following image shows tax results when contributing authority is not configured:

Scenario 2023 October 1st Update - UK Plastic Tax (crossborder transactions):

View Results:

3

Zone

Country: UNITED KINGDOM

Country: UNITED KINGDOM

Country: UNITED KINGDOM

Gross Amount: 100.00

Authority

United Kingdom

United Kingdom

United Kingdom Plastic Tax

Eff%: 210.82%

Invoice Desc

VAT

VAT

United Kingdom Plastic Packaging Tax

Type

Dir

Fee

Rate

Tax Amt

TT

IT

IM

O

20%

20.00

IM

I

20%

20.00

CA

210.82

210.82

210.82 USD

Authority Messages:

Authority

RuleOrder

Message

United Kingdom

10000

GCBG2: Import VAT in Ship To Location.

United Kingdom

10000

GCBG3: Recovery of import VAT in Ship To Location.

United Kingdom Plastic Tax

6999.9998

CUSTAUTHBST1: Plastic Tax in Ship To location

The following image shows tax results when contributing authority is configured:

Scenario 2023 October 1st Update - UK Plastic Tax (crossborder transactions):

View Results: 3

Zone

Country: UNITED KINGDOM

Country: UNITED KINGDOM

Country: UNITED KINGDOM

Gross Amount: 100.00

Authority

United Kingdom Plastic Tax

United Kingdom

United Kingdom

Eff%: 210.82%

Invoice Desc

United Kingdom Plastic Packaging Tax

VAT

VAT

Type

CA

IM

IM

Dir

O

I

Fee

210.82

20%

Rate

20%

20%

Tax Amt

210.82

62.16

62.16

TT IT

210.82 USD

Authority Messages:

Authority

United Kingdom Plastic Tax

United Kingdom

United Kingdom

RuleOrder

6999.9998

10000

10000

Message

CUSTAUTHBST1: Plastic Tax in Ship To location

GCBG2: Import VAT in Ship To Location.

GCBG3: Recovery of import VAT in Ship To Location.