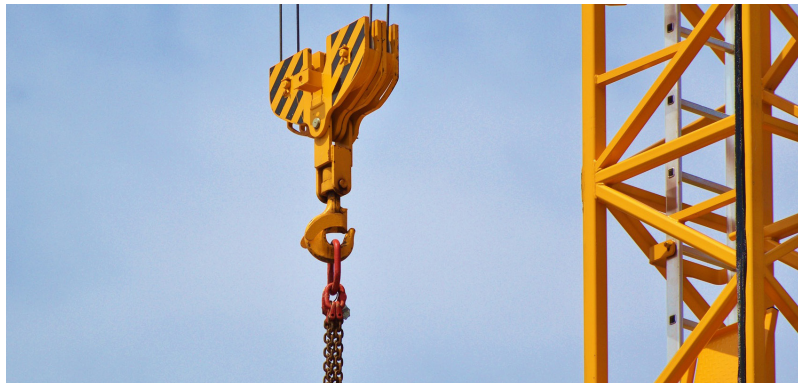


# Tax Credits for Operators Accepting Construction Waste



Persons in possession of a permit to accept construction waste and demolition material in their quarries can claim a tax credit of 25% of the gross fees received from such disposal services.

In June 2018, through Legal Notice 209, new tax credits were introduced to persons authorised to accept in their quarry construction waste and demolition material from third parties. Such authorised persons may claim a tax credit equivalent to 25% of the gross fees paid to them. The tax credit cannot exceed the tax chargeable on the income from such construction waste disposal services.

The tax credit is applicable to those authorised persons who accepted/accept such waste or material during calendar years 2017, 2018 or 2019.

## The Salient Conditions

- The authorised person must be in possession of a permit issued by the Environment and Resources Authority;
- The fee charged by the authorised person to the third parties must not exceed €5.50 per tonne; and
- The claim for the tax credit must be made in a manner and on such form as the Commissioner for Revenue may approve and shall be subject to the provision of documents or other evidence as the Commissioner may require.

## KPMG Observations

Whilst activity in the construction industry in Malta is at full throttle, such fiscal credits to quarry owners came at a time when operators in the industry have revived their long-standing complaint on the lack of space and/or ways for disposing their waste. Whereas the tax credit could incentivise owners of disused quarries, it may also act as a form of compensation to those who made their quarries available for construction waste since 1st January 2017.

## Contact Us



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