

March 29, 2022

	<b>Yes</b>	<b>No</b>
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 1531 (Ruud) 1<sup>st</sup> Engrossment

	<b>Fund Impact</b>			
	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>
		(000's)		
General Fund	\$0	(\$5,000)	(\$11,000)	(\$11,000)
Environmental Fund	\$0	\$5,000	\$11,000	\$11,000

Effective day following final enactment.

**EXPLANATION OF THE BILL**

**Current Law:** The greater of \$33,760,000 or 70% of revenue collected from the Solid Waste Management Tax (SWMT) is deposited into environmental fund and the rest to the general fund.

**Proposed Law:** The bill would change revenue allocation for the SWMT. In fiscal year 2023, 75% of the revenue collected from the SWMT would be deposited in environmental fund with the remainder going to the general fund. In fiscal years 2024 and 2025, 80% of the revenue will be deposited in environmental fund, and the remainder into the general fund. Beginning in fiscal year 2026 and thereafter, 100% of the SWMT revenue is directed to the environmental fund.

**REVENUE ANALYSIS DETAIL**

- The February 2022 SWMT forecast was used.
- The reduction to the general fund and increase in the environmental fund in fiscal year 2026 is estimated to be \$32 million.
- The estimates reflect the difference between the current allocation and the proposed allocation.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>