

STATE OF MINNESOTA
DEPARTMENT OF REVENUE

In the Matter of the Proposed Adoption of
Permanent Rules for the Sales and Use
Taxation of Solid Waste Collection and
Disposal Services (Minnesota Rule
Part 8130.2100)

STATEMENT OF NEED
AND
REASONABLENESS

GENERAL STATEMENT

This document has been prepared as a verbatim affirmative presentation of the facts necessary to establish the statutory authority, need for, and reasonableness of the proposed rule. It is submitted pursuant to Minnesota Statutes, section 14.23 (1992) and Minnesota Rules, part 1400.0500 (1991) requiring a Statement of Need and Reasonableness.

This rule is necessary to integrate definitions in Minnesota Statutes, sections 115A.03 (1992) the sales and use tax imposition provisions of Minnesota Statutes, section 297A.01, subd. 3(j)(vii)(1992); and 297A.45 (1992). This rule is reasonable because it results in a simplification of tax administration coupled with a better understanding of its application by taxpayers.

IMPACT ON SMALL BUSINESS

The effect of this rule on small business has been considered. The agency has determined that this rule will not have an effect on small businesses as contemplated by Minnesota Statutes, section 14.115 (1992).

The proposed rule, Solid Waste Collection and Disposal Services, does not impose new filing or payment requirements on small business and thus is not expected to place any additional financial or administrative burden on small businesses. The rule explains compliance requirements for garbage and trash

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haulers. Thus the task of these types of small businesses in collecting the sales tax is rendered less burdensome.

AUTHORITY TO ADOPT RULES

Minnesota Statutes, section 270.06, subd. 13 (1992) grants the commissioner of revenue authority to make, publish, and distribute rules for the administration and enforcement of state tax laws.

RULE ANALYSIS

Subpart 1 is a general information statement required to orientate the taxpayer.

Subpart 2 is a definition of terms based on applicable statutes necessary to explain tax base to the taxpayer.

Subpart 2A is the statutory definition of "collection" as defined in Minnesota Statutes, section 115A.03, subd. 5

Subpart 2B is the statutory definition of "disposal" or "dispose" as defined in Minnesota Statutes, section 115A.03, subd. 9.

Subpart 2C is the statutory definition of "disposal facility" as defined in Minnesota Statutes, section 115A.03, subd. 10.

Subpart 2D is the statutory definition of "generator" as defined in Minnesota Statutes, section 115A.03, subd. 12.

Subpart 2E is the statutory definition of "mixed municipal solid waste" as defined in Minnesota Statutes, section 115A.03, subd. 21.

Subpart 2F is the statutory definition of "political subdivision" as defined in Minnesota Statutes, section 115A.03, subd. 24.

Subpart 2G is the statutory definition of "recyclable materials" as defined in Minnesota Statutes, section 115.03, subd. 25a.

Subpart 2H is the statutory definition of "recycling" as defined in Minnesota Statutes, section 115A.03, subd. 25b.

Subpart 2I is the statutory definition of "resource recovery" as defined in Minnesota Statutes, section 115A.03, subd. 27.

Subpart 2J is the statutory definition of "resource recovery facility" as defined in Minnesota Statutes, section 115A.03, subd. 28.

Subpart 2K is the statutory definition of "solid waste" as used in Minnesota Statutes, section 115A.03, subd. 31 and defined in Minnesota Statutes, section 116.06, subd. 10.

Subpart 2L is the statutory definition of "waste" as defined in Minnesota Statutes, section 115A.03, subd. 34.

Subpart 2M is the statutory definition of "waste facility" as defined in Minnesota Statutes, section 115A.03, subd. 35.

Subpart 2N is the statutory definition of "solid waste" as defined in Minnesota Statutes, section 116.06, subd. 10.

Subpart 3 is necessary to reflect the different types of taxpayers, because of the various different methods by which the business of waste pick-up is undertaken.

Subpart 4 is required to reflect various types of customers who are not subject to the tax imposed on solid waste collection and disposal services.

Subpart 5 is required to determine the appropriate tax base for service charges billed by haulers of waste collection and disposal services.

Subpart 6 is required to advise the retailer of the appropriate administrative procedures to follow in registering, collecting, and remitting the sales tax.

Subpart 7 is required to advise the retailer that a city local sales or use tax does not apply to waste collection services.

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