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**SOLID WASTE MANAGEMENT TAX
RECEIPTS**



FIRST PERIOD

JANUARY 1, 1998 — APRIL 30, 1998

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This is the first of three reports on the receipts from the solid waste management tax, as required by Minnesota Statute 1997, Section 297H.13, Subdivision 5. Also included is a report on the receipts from both the solid waste generator assessment and the SCORE tax for waste management services received prior to January 1, 1998.

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Solid Waste Management Tax Receipts*

<i>Line on ST-1</i>	<i>January 1998</i>	<i>February 1998</i>	<i>March 1998</i>	<i>April 1998</i>	<i>TOTAL</i>
Line 102 Residential; 9.75%	\$78,700	\$996,630	\$1,470,863	\$1,618,993	\$4,165,186
Line 103 Commercial MMSW; 17%	\$44,218	\$1,117,444	\$1,995,211	\$2,059,068	\$5,215,941
Line 104 Commercial Non-MMSW; \$0.60/ cubic yd	\$37,633	\$310,077	\$109,805	\$112,514	\$570,029
TOTAL	\$160,551	\$2,424,151	\$3,575,879	\$3,790,575	\$9,951,156

* Each month's figures consists of (1) amounts listed on Lines 102, 103, and 104 of the Sales Tax Return, ST-1, received in that month (for example, the December return is remitted/received in January), (2) solid waste management tax assessments made in that month, and (3) adjustments made in that month (for example, a taxpayer remitted on line 100 instead of line 102 on their January return--we adjust the lines in March and the adjustment is reflected in the March figures).

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Solid Waste Generator Assessment & SCORE Receipts**

<i>Line on ST-1</i>	<i>January 1998</i>	<i>February 1998</i>	<i>March 1998</i>	<i>April 1998</i>	<i>TOTAL</i>
Line 105 SCORE; 6.25%	\$1,381,295	\$1,505,910	\$367,119	\$89,777	\$3,344,101
Line 106 SWGA Residential; (\$2.00 annual)	\$36,525	\$9,778	\$11,342	\$3,694	\$61,339
Line 107 SWGA Residential; \$0.03/ bag	\$2,584	\$771	\$35	\$346	\$3,736
Line 108 SWGA Nonresidential; \$0.60/ cubic yd	\$1,014,425	\$1,478,110	\$384,160	\$158,926	\$3,035,621
TOTAL	\$2,434,829	\$2,994,569	\$762,656	\$252,743	\$6,444,797

** As with the report on Solid Waste Management Tax Receipts, these monthly figures represent tax returns received, and assessments and adjustments made in that month.

APPENDIX

- **Enactment of Chapter 297H, Solid Waste Management Tax; Requirement of Three Reports.**

The solid waste management tax, Minnesota Statutes, Chapter 297H, was enacted following the 1997 legislative session, effective for waste management services received starting January 1, 1998. Section 297H.13, Subdivision 5, requires the department of revenue to report on the receipts of revenue from this tax, as follows:

Subd. 5. Report on receipts.

The commissioner of revenue shall report to the chairs of the house and senate environment and natural resources committees; the house environment and natural resources finance division; the senate environment and agriculture budget division; the house tax committee and the senate taxes and tax laws committee; the commissioner of the pollution control agency; and the director of the office of environmental assistance on the total tax revenues received from the taxes imposed under this chapter. The reports shall be made as follows:

- (1) a report by May 31, 1998, based on amounts received by the commissioner of revenue from January 1, 1998, through April 30, 1998;
- (2) a report by September 30, 1998, based on amounts received by the commissioner of revenue from May 1, 1998, through August 31, 1998; and
- (3) a report by January 31, 1999, based on amounts received by the commissioner of revenue from September 1, 1998, through December 31, 1998.

- **Overview of the Solid Waste Management Tax.**

The Solid Waste Management Tax (SWM Tax) replaces the SCORE tax (sales tax on waste management services) and the Solid Waste Generator Assessment (SWGA), effective January 1, 1998. The SWM Tax is a new funding mechanism for state recycling and landfill clean-up programs.

Solid waste management services for both mixed municipal solid waste and non-mixed-municipal solid waste (infectious and pathological waste, industrial waste, construction and demolition waste) are subject to the SWM Tax. Solid waste management services include waste collection, transportation, processing and disposal.

Waste management service providers are responsible for collecting and remitting the solid waste management tax. A waste management service provider is any party who directly bills the generator or self-hauler for waste management services. This includes waste haulers, waste management facilities, utility services, and political subdivisions.

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Lines on the ST-1 return

The tax is reported on the regular sales tax return, Form ST-1. Each return includes the following lines:

- **001, Gross Receipts**—total receipts or sales from all business operations in Minnesota.
- **100, General rate sales**—taxable retail sales not related to waste collection service.
- **102, Residential SWM tax**—mixed municipal solid waste management services to residential generators January 1, 1998, and after. Includes amounts from selling bags or stickers to vendors for resale to residential generators.
- **103, Commercial SWM tax**—mixed municipal solid waste management services to nonresidential generators January 1, 1998, and after. Includes amounts from selling bags or stickers to vendors for resale to nonresidential generators.
- **104, Non-MMSW SWM tax**—60 cents per noncompacted cubic yard assessment for customers that receive services January 1, 1998, and after.
- **105, Waste collection services**—sales tax on waste collection and disposal for mixed municipal solid waste services (SCORE) for services prior to January 1, 1998. Since the sales tax on waste services has been repealed, this line will disappear eventually.
- **106, 107, and 108, Waste residential fee** (\$2.00 annually), *Waste residential fee* (\$0.03 per bag), and *Waste non-residential fee* (\$0.60 per noncompacted cubic yard of either mixed municipal solid waste or non-mixed-municipal solid waste) --solid waste generator assessment (SWGA) for services prior to January 1, 1998. Since the SWGA has been repealed, these lines will disappear eventually.

• **History of solid waste taxes**

Based on recommendations from the Select Committee on Recycling and the Environment (SCORE), the Minnesota Legislature extended the sales tax to municipal solid waste services in 1989 to pay for statewide waste education and recycling programs. The tax, often called the SCORE tax, funded projects that reduced the state's reliance on landfills and improve recycling, source reduction, yard waste composting and waste education activities.

In 1993, the Minnesota Legislature established the Solid Waste Generator Assessment (SWGA), which imposed a fee of \$0.12 per cubic yard of container capacity for commercial waste generators and a fee of \$2 per year for residential waste generators. This revenue went to pay the costs of investigating old landfills for necessary cleanup work, and for Minnesota Pollution Control Agency (MPCA) costs of groundwater protection, solid waste permit and compliance activities, and solid waste permit and compliance activities, and solid waste policy development.

In 1994 the legislature directed the MPCA to take on cleanup and permanent care of 106 old landfills, increasing the commercial portion of SWGA to \$.60 per cubic yard to pay for the extra responsibility. The legislature also broadened the base to include construction and demolition waste, medical waste and most industrial waste. It directed all SWGA revenues to the Solid Waste Fund. That fund pays the cost of the landfill cleanup program, as well as

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(History, continued)

costs of specific ground water and solid waste programs, as authorized by the legislature in biennial appropriations.

Over the years, these two charges, the SCORE tax and the SWGA, were separately itemized on residential and commercial solid waste collection bills. In 1997 the Solid Waste Management Tax was enacted. It is often referred to as a hybrid of the SCORE tax and the SWGA, or as a "replacement tax," as it combines many of the features of the taxes that it replaces, the SCORE Tax and the SWGA. Now there is only one charge on a generator's waste collection bill.

• **Use of revenues.**

Proceeds from the new single tax will continue to pay for the programs that the SCORE tax and the Solid Waste Generator Assessment have funded in the past.

Fifty percent of the proceeds or at least \$22 million will be deposited into the Solid Waste Fund for landfill cleanup and solid waste purposes established by statute or biennial appropriations.

The remainder will support county recycling block grants and related solid waste activities administered by the Office of Environmental Assistance. Programs include county block grants that help fund more than 700 curbside recycling collection programs that serve more than 3.2 million people statewide; 1,300 recycling stations and drop-off centers and over 110 recycling centers; market development grants and loans; problem materials collection; and other solid waste activities.

S. W. Generator	
111 Any Street,	
Anytown, MN	
Cost of Service:	\$\$ XX .XX
Solid Waste Management Tax:	\$\$
Total:	\$\$ XX .XX
<i>Thank You !</i>	

