Overview

This bill relates to the solid waste management tax, which is primarily used to fund solid waste management activities in the state. The solid waste management tax, which was enacted in 1997, replaced two taxes and fees. The "new" tax was intended to raise approximately $44.5 million per year, which was the total amount of the two "old" revenue sources. The change was intended to be revenue neutral. However since then, the tax has raised more than that intended amount. In fiscal year 1999, the tax raised approximately $49 million. In fiscal year 2001, the department of revenue estimates the tax will raise over $51 million at the current rates. The bill lowers the applicable tax rates proportionately to a level that is estimated to raise approximately $44.5 million per year. The bill also contains a provision which automatically decreases the tax rates if the revenues in the previous year exceed $45 million.

Section

1. **Residential generator tax rate.** Reduces the tax rate on residential mixed municipal solid waste disposal services from 9.75 percent to 8.5 percent.

2. **Commercial generator tax rate.** Reduces the tax rate on commercial mixed municipal solid waste disposal services from 17 percent to 15 percent.

3. **Other solid waste tax rates.** Reduces the tax rate on non-mixed municipal solid waste from 60 cents per noncompacted cubic yard of waste to 53 cents per noncompacted cubic yard and also proportionately decreases the rates on construction debris, and on industrial and infectious waste.

4. **Self haulers.** Decreases the tax rates for self haulers in the same proportion as the rates in section 3.

5. **Excess revenue adjustment.** The bill also contains a provision which beginning in fiscal year 2001, automatically decreases the tax rates if the revenues in the previous fiscal year exceed $45 million. Provides that the commissioner of revenue shall decrease the rates proportionately so as to yield a total revenue amount of $44.5 million and shall provide notice of those decreased tax
rates by August 1 of that year to waste management service providers.

**Effective date.** Sections 1 to 4 are effective July 1, 2000, and thereafter.