

Solid Waste Management Tax

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Solid and Hazardous Waste Management

Fact Sheet

What is taxable

The Solid Waste Management (SWM) Tax applies to services for mixed municipal solid waste (“mixed waste”) and non-mixed municipal solid waste (“non-mixed waste”).

- Mixed waste includes garbage, refuse, and other solid waste from residential, commercial, and community activities.
- Non-mixed waste is construction, demolition, industrial, infectious and pathological waste material that’s collected, processed, and disposed of separately from mixed waste.

Who collects the tax

A waste management service provider (provider) is responsible for collecting and remitting the SWM Tax to the Minnesota Department of Revenue. A provider is anyone who directly bills a waste generator (customer) for waste management services. Examples include

- waste haulers
- waste management facilities, such as incinerators (waste-to-energy facilities), transfer stations, and landfills
- local and county governments, or other political subdivisions

SWM Tax rate

The tax rate depends on the type of waste and who generated it, as detailed below.

Mixed municipal solid waste

For mixed waste, the tax is based on the sales price charged by the service provider and the type of waste generator (customer).

Generator of Mixed Waste (see “Waste definitions”)	SWM Tax Rate
Residential	9.75% of sales price
Commercial	17% of sales price
Self-hauler	17% of sales price

“Sales price” is the total of all charges and fees for the service, whether billed separately or together. Examples include: collection, transportation, processing, disposal, and administrative fees; fuel surcharges; and any fee for garbage bags or stickers provided to the customer.

Non-mixed municipal solid waste

For non-mixed waste, the tax is based on the actual volume, container capacity, or weight of the waste.

Type of Non-Mixed Waste (see “Waste definitions”)	SWM Tax Rate
Construction and demolition debris	60 cents per cubic yard or \$2 per ton
Industrial waste (“per ton” rate is subject to change)	60 cents per cubic yard or 46.2 cents per ton
Infectious and pathological waste	60 cents per cubic yard or .004 cents per pound

You must calculate the tax in the same way as you bill the customer. For example, if you bill by the cubic yard, you must calculate the tax using the cubic yard rate.

Waste definitions

“Residential” generators include single-family homes, apartments, townhomes, and manufactured home parks. (For multi-housing, the tax applies to the total sales price for waste services at the site, whether billed to each residence, the building owner, or an association.)

“Commercial” generators include anyone who owns or operates a business – even a home-based business – or other enterprise that generates mixed municipal solid waste. Examples include a manufacturing or industrial plant, church, nursing home, non-profit organization, school or campus housing, prison, hotel, or any other commercial or institutional enterprise.

“Self-haulers” include anyone who transports their own waste – or another person’s – to a waste management facility and isn’t paid for doing so.

“Construction and demolition debris” includes building material and rubble from construction, remodeling, repair, or demolition of buildings and roads.

“Industrial waste” includes waste from industrial, manufacturing, service, or commercial activity that is put in a separate container, picked up, and disposed of at a facility licensed to process industrial waste.

“Infectious and pathological waste” includes laboratory waste, blood or other regulated body fluids, hypodermic needles, human tissues and body parts, and non-contaminated waste from research animals.

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What you must do as a service provider

If you provide waste management services, you must collect the SWM Tax, report the tax collected, and remit (pay) the tax to the state. See “File and pay” for filing and payment details.

Customer bills

On customer bills or invoices, you must

- identify the tax as “solid waste management tax”
- list the amount of SWM Tax separately from other charges
- itemize charges for non-taxable services (and don’t collect SWM Tax on these charges)

SWM Tax Exemption Certificate

Certain agencies and waste service providers must complete a Solid Waste Management Tax Exemption Certificate (Form SWMT-10). The form is available at www.revenue.state.mn.us.

- If you’re a city, town, or political subdivision that collects and remits SWM Tax from residents, give the completed form to your waste hauler(s). Otherwise, you will have to pay tax to your hauler and to the state.
- If you’re a federal agency and your waste is exempt from SWM Tax, give the completed form to your hauler(s).
- If you’re a waste hauler, give the completed form to the transfer station, landfill, waste-to-energy facility, or other hauler. Otherwise, you will have to pay tax to the facility and to the state.
- If you’re a transfer station, landfill, or other point of delivery, you must keep the certificate on file for future review by the Minnesota Department of Revenue.

Recyclable materials

Waste management charges for recyclable materials are exempt from SWM Tax if all of the following conditions are met:

1. The customer (generator) separates recyclables from other garbage.
2. The recyclables are collected separately from other garbage and delivered to a facility where they are recycled.
3. The charge for managing the recyclables is itemized on the customer’s bill.

“Recyclable materials” include paper, glass, plastics, metals, source-separated organics, automobile oil, batteries, and other materials that are separated from solid waste for the purpose of recycling. (Incinerating waste to create energy isn’t considered recycling.)

SWM Tax exemptions

The following types of waste or fees are exempt from SWM Tax:

- Waste from federal agencies
- Organic waste put in separate waste containers and disposed of at a qualified facility
- Certain waste management fees and surcharges under the following Minnesota statutes:
 - Fees a facility pays to a county for disposing of mixed municipal solid waste or construction debris (M.S. 115A.919)

- Fees a facility pays to a city or town for disposing of mixed municipal solid waste or construction debris (M.S. 115A.921)
- The Greater Minnesota Landfill Cleanup Fee (M.S. 115A.923) and Metropolitan Solid Waste Landfill Fee (M.S. 473.843)
- County SWM service charges (M.S. 400.08)
- County taxes levied to repay bonds and interest used to acquire or update solid waste facilities (M.S. 473.811)
- Landfill abatement and cleanup fees that are required, or allowed, by the Minnesota Pollution Control Agency (MPCA)
- Industrial waste transported to a facility owned and operated by the waste generator
- “Daily cover” materials (such as wastes serving the same purpose as sand, dirt, and or gravel), spread over landfills to contain waste if approved by the MPCA
- Waste generated outside of Minnesota
- Mixed solid waste from a recycling facility that reduces the volume of the waste by at least 85 percent
- Construction and demolition waste from a presidentially declared disaster area (for 18 months after the disaster, only if the waste goes to a disposal facility designated by the MPCA)

Sales Tax exemptions

The following items are exempt from sales tax when a local government or waste hauler purchases and uses them to provide waste management services that are subject to SWM Tax:

- Bags or stickers that are sold to customers to bundle or mark waste for pickup
- Waste management containers and compactors used for garbage. To buy these items without paying sales tax, you must give your supplier a completed Certificate of Exemption (Form ST3). The form is available at www.revenue.state.mn.us.

The exemption doesn’t include

- containers or compactors used for recycling and organics
- repair or replacement parts for the containers and packers
- trucks purchased complete with chassis and packer/compactors

File and pay

If you collect SWM Tax from residents or businesses, you must report it on your Sales and Use Tax return and pay the tax to the Minnesota Department of Revenue. You can file and pay electronically through our e-Services system at www.revenue.state.mn.us.

You’re responsible to pay the SWM Tax on all taxable services you provide, even if you didn’t charge the correct amount or you failed to list the tax on customer bills or invoices as required.

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If you don't have a Minnesota tax ID number, you must register for one on our website or by calling 651-282-5225 or 1-800-657-3605. For more information, see the Minnesota Sales and Use Tax Instruction Booklet, available on our website.

Due dates

The SWM Tax due date is based on the filing schedule determined by the department when you register for the tax.

If you file	You must file and pay by
Monthly	20th day of the month
Quarterly	April 20, July 20, Oct. 20, and Jan. 20
Annually	Feb. 5

Refund on bad debt

If you pay the SWM Tax before a customer pays you (accrual basis) and you can't collect the tax from that customer, you can request a refund of the tax. To be eligible for a refund, the amount owed you must qualify as a bad debt according to section 166(a) of the Internal Revenue Code.

Information and assistance

If you have questions about charging, collecting or reporting SWM Tax, contact us by email at environmental.tax@state.mn.us or call 651-282-5770.

Tip line

If you suspect someone isn't obeying state tax laws, call our tip line at 651-297-5195 or 1-800-657-3500.

Legal references

Minnesota Statutes 16A.531, subd. 1 – Environmental Fund (Minnesota Department of Management and Budget)

Minnesota Statutes, Chapter 115A – Waste Management/ Minnesota Pollution Control Agency

sec. 115A.03 and 116.76 – MPCA Waste Definitions

sec. 115A.919 – County Fee Authority

sec. 115A.921 – City or Town Fee Authority

sec. 115A.923 – Greater Minnesota Landfill Cleanup Fee

Minnesota Statutes, Chapter 297H – Solid Waste Management Taxes

Minnesota Statutes, Chapter 400 – Solid Waste Management (for Counties)

sec. 400.08 – Service Areas and Charges

Minnesota Statutes, Chapter 473 – Metropolitan Government

sec. 473.811 – Waste Management by Counties, Defined by Local Units

sec. 473.843 – Metropolitan Solid Waste Landfill Fee

Other sources

Minnesota Sales and Use Tax Instruction Booklet.