

Minnesota revenue notice

Revenue Notice # 93-12 Assessment for Collection of Mixed Municipal Solid Waste

(Update: Revenue Notice #93-12 has been repealed by Revenue Notice #03-04.)

General Information:

Minnesota Statutes § 116.07, subd. 10, effective July 1, 1993, provides that persons who collect mixed municipal solid waste shall collect an assessment from each customer and remit it to the commissioner of revenue. Waste collectors are required to remit the assessments along with their regular remittance of sales tax on solid waste collection services. Local governments which bill for solid waste collection services are considered 'waste collectors.' The assessments will be deposited in the environmental fund, and will be used mainly for landfill cleanup.

Residential Customers

What is a residential customer? A residential customer is someone who pays for waste collection services for a dwelling with one to four dwelling units. If the dwelling has more than four dwelling units, the customer is considered a nonresidential customer. A home operated business will be treated as a nonresidential customer.

What is the assessment? Each waste collector must annually bill and collect a \$2 solid waste assessment from each residential customer that the collector has as of July 1 of each year. A residential customer who receives collection services as of July 1 for more than one location, for example a primary dwelling and a vacation home, will be assessed \$2 for each location.

When must the waste collector remit the assessments? To allow for different collection schedules, the waste collector is not required to remit the assessments until after October 1 of each year, along with the first remittance of sales tax on solid waste collection services. Any assessments collected after October 1 must be remitted along with the next remittance of sales tax.

Nonresidential Customers

What is a nonresidential customer? A nonresidential customer is someone who pays for waste collection services for anything other than dwellings with one to four dwelling units. For example, the waste may be collected for industry or businesses, including home-operated-businesses such as day care, beauticians, or craft businesses; dwellings with more than four dwelling units; and such places as churches, nursing homes, nonprofit associations, and schools.

What is the assessment? Each waste collector must bill and collect an assessment of 12 cents per noncompacted cubic yard of periodic waste collection

capacity purchased by each nonresidential customer. The capacity of a noncompacted cubic yard' means the number of loose cubic yards of mixed municipal solid waste, and is based on the size of the waste collection container. 'Periodic waste collection' means each time the container is emptied (for example, a 2 cubic yard dumpster will pay 24 cents each time it is emptied). The assessment must be collected as part of each statement for payment of waste collection charges. The following examples are helpful in understanding how the assessment is calculated:

Example 1: if the customer has contracted for collection of 2 noncompacted cubic yards of mixed municipal solid waste, 3 times a week, and is billed every 3 months, each statement will include an assessment of \$9.36. That is, $\$0.12 \times 2$ (noncompacted cubic yard capacity) $\times 3$ (times a week) $\times 13$ weeks (i.e., 3 months) = \$9.36.

Example 2: if the capacity is 2 noncompacted cubic yards, collected 2 times a week, and the customer is billed every month, the assessment is \$2.08. That is, $\$0.12 \times 2$ (capacity) $\times 2$ (times a week) $\times 4.33$

weeks (i.e., 1 month) = \$2.08.

Example 3: In example 2, if the capacity purchased is instead for 2 compacted cubic yards per week, then the capacity will be calculated based on an average compaction ratio of 3:1. Thus, each statement will include an assessment of \$6.24. That is, 2.08 (the assessment amount based on a noncompacted cubic yard capacity) X 3 (the average compaction ratio) = \$6.24.

When must the waste collector remit the assessments? The amount collected as part of each statement for payment of waste collection charges must be remitted along with the next remittance of sales tax. For monthly filers who collect on monthly statements, all assessments collected for July of 1993 are a part of the July return due in August, 1993. For quarterly filers, the waste assessments collected for July, August, and September of 1993 are a part of the quarterly return due October 20, 1993.

Assessments and the sales tax base

The solid waste assessments for either residential or nonresidential customers are not part of the sales tax base. Waste collectors must not charge their customers sales tax on the assessments.

Self-haulers

Some people do not use the services of waste collectors, but haul their own waste to the landfills. Do self-haulers have to pay a solid-waste assessment? No, the law applies only to those who collect and remit sales tax on solid waste collection services under Minn. Stat. § 297A.45. The assessment does not apply to self-haulers.

Out-of-state customers or landfills

Waste collectors must collect the assessment from all customers, regardless of where the customer lives, or where the landfill is, unless both the customer and the landfill are out-of-state.

Michael E. Boekhaus
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