February 16, 2001

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 755 (Dorman)

	Revenue Gain or (Loss)			
	F.Y. 2002	F.Y. 2003	F.Y. 2004	FY2005
	(000's)			
General Fund	($7,400)	($7,600)	($7,200)	($6,800)
Solid Waste Fund	($5,400)	($6,900)	($7,700)	($8,600)
Total – All Funds	($12,800)	($14,500)	($14,900)	($15,400)

Effective for services provided after July 1, 2001

EXPLANATION OF THE BILL

Current Law: Solid waste management tax rates:

Residential mixed municipal SW	9.75%
Nonresidential municipal SW	17%
Nonmixed municipal SW	$.60/Cu. Yard, construction debris $2/ton

The allocation of revenues from the solid waste management tax is 50% of total revenues from the tax or $22 million, whichever is greater, to be deposited into the solid waste fund. The remainder is deposited into the general fund.

Proposed Law: Solid waste management tax rates:

Residential mixed municipal SW	7.2%
Nonresidential municipal SW	12.8%
Nonmixed municipal SW	$.46/Cu. Yard, construction debris $1.50/ton

The allocation of revenues from the solid waste management tax is $22 million to be deposited into the Solid Waste Fund. The remainder is deposited into the General Fund.

REVENUE ANALYSIS DETAIL

- The estimates are based on the forecast of the tax by the Pollution Control Agency.
- It is assumed that the portion of the revenues from each part of the tax is consistent for all years.
- The fiscal year 2002 impact was reduced to reflect 11 months of collections.

Number of Taxpayers Affected: About 830 organizations file solid waste management tax returns.

ADMINISTRATIVE/OPERATIONAL IMPACT

There are no administrative or operational costs to the Department of Revenue in administering this bill.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/polic.html#analyses

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