

April 3, 2019

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>	<b>x</b>	

Department of Revenue  
Analysis of H.F. 2763 (Hansen)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2020</u></b>	<b><u>F.Y. 2021</u></b>	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>
	(000's)			
Environmental Fund	(\$7,100)	(\$7,800)	(\$8,100)	(\$8,300)
Soil and Water Account	<u>(\$3,000)</u>	<u>(\$3,400)</u>	<u>(\$3,500)</u>	<u>(\$3,600)</u>
Total –All Fund	(\$10,100)	(\$11,200)	(\$11,600)	(\$11,900)

Effective July 1, 2019

**EXPLANATION OF THE BILL**

**Current Law:** The solid waste management taxes are imposed on charges for the collection and disposal of solid waste. For mixed municipal solid waste, the tax rate is 9.75% for service provided to residential customers and 17% for commercial customers. The rate for non-mixed municipal solid waste is 60 cents per cubic yard and construction debris from self-haulers is \$2 per ton. Seventy percent of the revenues are transferred to the Environmental Fund and the remainder (30%) to the General Fund.

**Proposed Law:** The proposal increases the rate for mixed municipal solid waste on residential customers to 11% and the commercial generator rate to 19%, increases of 1.25 percentage points and 2 percentage points. The proposal increases the rate for non-mixed municipal solid waste to 67.5 cents per cubic yard and the rate on construction debris for self-haulers to \$2.25 per ton, increases of 7.5 cents per cubic yard and of 25 cents per ton. The proposal establishes a Soil and Water Conservation District Account in the Special Revenue Fund. Tax revenue increases would be transferred 70% to the Environmental Fund and 30% to the Soil and Water Conservation District Account in the Special Revenue Fund.

**REVENUE ANALYSIS DETAIL**

- The estimates are based on solid waste management tax collections for fiscal year 2018.
- The taxable base of each type of waste generator is estimated.
- The additional revenue is estimated as the difference between forecast collections for current rates and estimated collections for the proposed rates.
- Growth rates are based on the February 2019 forecast.
- The fiscal year 2020 estimates are adjusted for eleven months of impact.

Source: Minnesota Department of Revenue  
Tax Research Division  
[www.revenue.state.mn.us/research\\_stats/Pages/Revenue-Analyses.aspx](http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx)