

March 24, 2025

SOLID WASTE MANAGEMENT TAX

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F.1352 (Witte) / S.F. 2437 (Dibble)

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
	(000's)			
Environmental Fund	(\$30)	(\$30)	(\$30)	(\$30)
General Fund	<u>(\$10)</u>	<u>(\$10)</u>	<u>(\$10)</u>	<u>(\$10)</u>
Total-All funds	(\$40)	(\$40)	(\$40)	(\$40)

Effective July 1, 2025

EXPLANATION OF THE BILL

Current Law: The solid waste management tax (SWMT) is imposed on charges for the collection and disposal of solid waste. The current rate is 9.75% for residential services and 17% for commercial services and self-haulers. Currently a 501c(3) organization is considered a commercial generator .

Proposed Law: A 501c(3) organization that receives donations for resale and salvage from single-family residences, persons residing in an apartment building, common interest communities or manufactured home parks, or an owner of a building or site containing multiple residences or an association representing residences will be considered a residential generator and will pay the residential rate of 9.75% instead of the 17% rate.

REVENUE ANALYSIS DETAIL

- It is assumed about 200 end users would change from the commercial to the residential rate.
- The Fiscal 2024 Collections of SWMT for commercial rate is used as the starting point of the estimate.
- The commercial rate is scaled to the residential rate for the estimated population of qualifying entities.
- Solid waste Management Tax collections from the February 2025 forecast are used to grow the estimates

Minnesota Department of Revenue
Tax Research Division
<https://www.revenue.state.mn.us/revenue-analyses>