

NC Disposal Tax

- All disposed tons x \$2
- Use of Revenues
 - \$225,000 for DOR Administration
 - Settlements with Landfill Developers
- Distribution of Remainder:
 - 50% to Inactive Hazardous Waste Sites
 - 37.5% to local governments
 - Split in half between municipalities and counties
 - Distributed on per capita basis
 - 12.5% to Solid Waste Trust Fund

SB 1492 LEGISLATION

1. Strengthen *financial/environmental compliance* review.
2. Strengthen *state authority* regarding landfill ownership.
3. Strengthen *state enforcement* capacity.
4. Strengthen *landfill requirements* for the next generation of landfills.
5. Increase and establish *buffers* for landfills.
6. Require an *environmental study* for proposed landfills.
7. Fund state regulatory *staff expansion* through permit fee.
8. Fund *clean up of pre 1983 landfills* through fee on solid waste disposal.
9. Fund a program to *assist local governments* with solid waste and recycling activities.
10. Establish a program to *recycle computers and televisions*.

41 MSW landfills

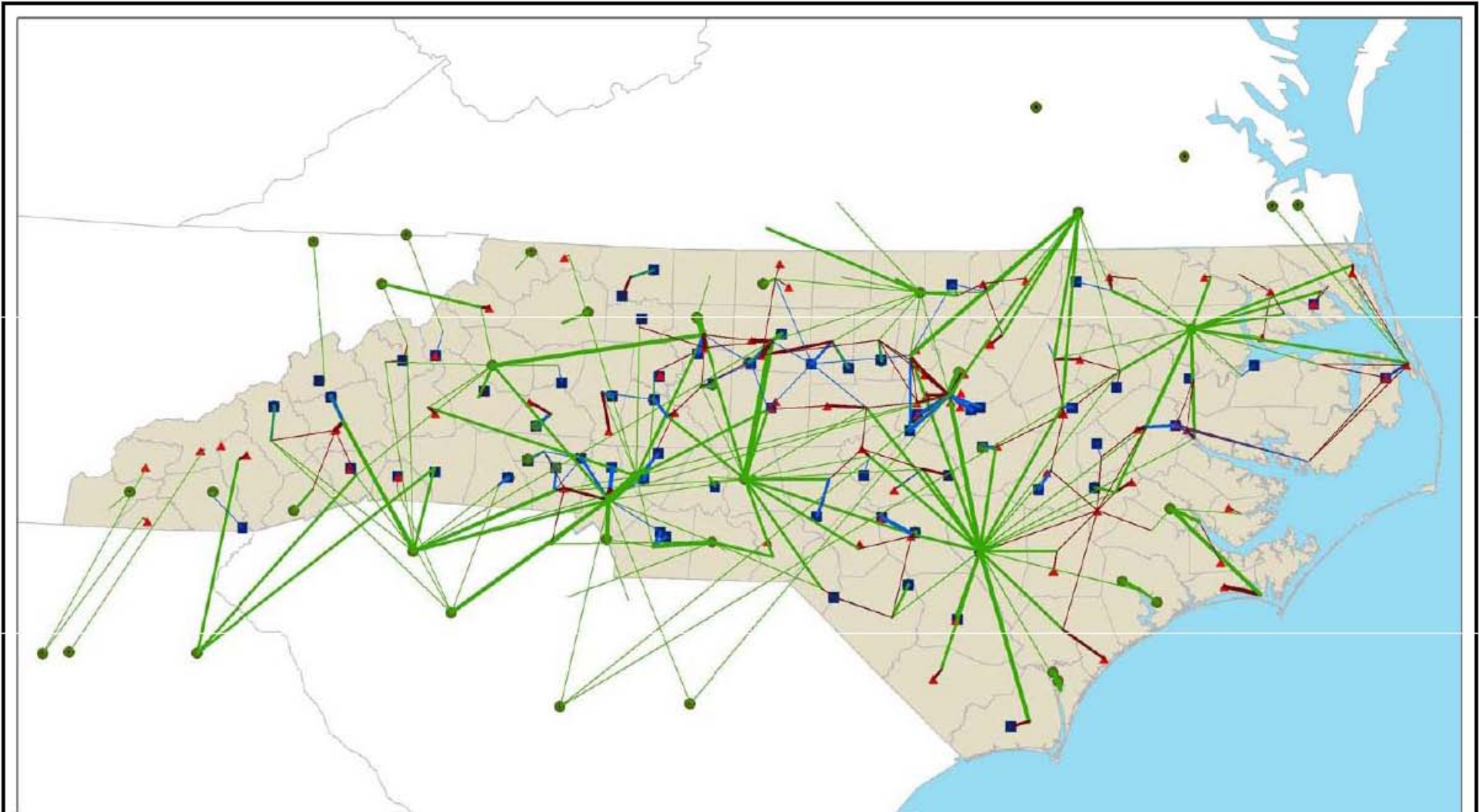


69 C&D landfills





89 transfer stations
11 send out-of-state



FY 06-07 Waste Flow (tons)

Waste Types

CDLF

- 500.64 - 25,000.00
- 25,000.01 - 100,000.00
- 100,000.01 - 200,000.00
- 200,000.01 - 400,000.00
- 400,000.01 - 1,000,000.00

MSWLF

- 500.64 - 25,000.00
- 25,000.01 - 100,000.00
- 100,000.01 - 200,000.00
- 200,000.01 - 400,000.00
- 400,000.01 - 1,000,000.00

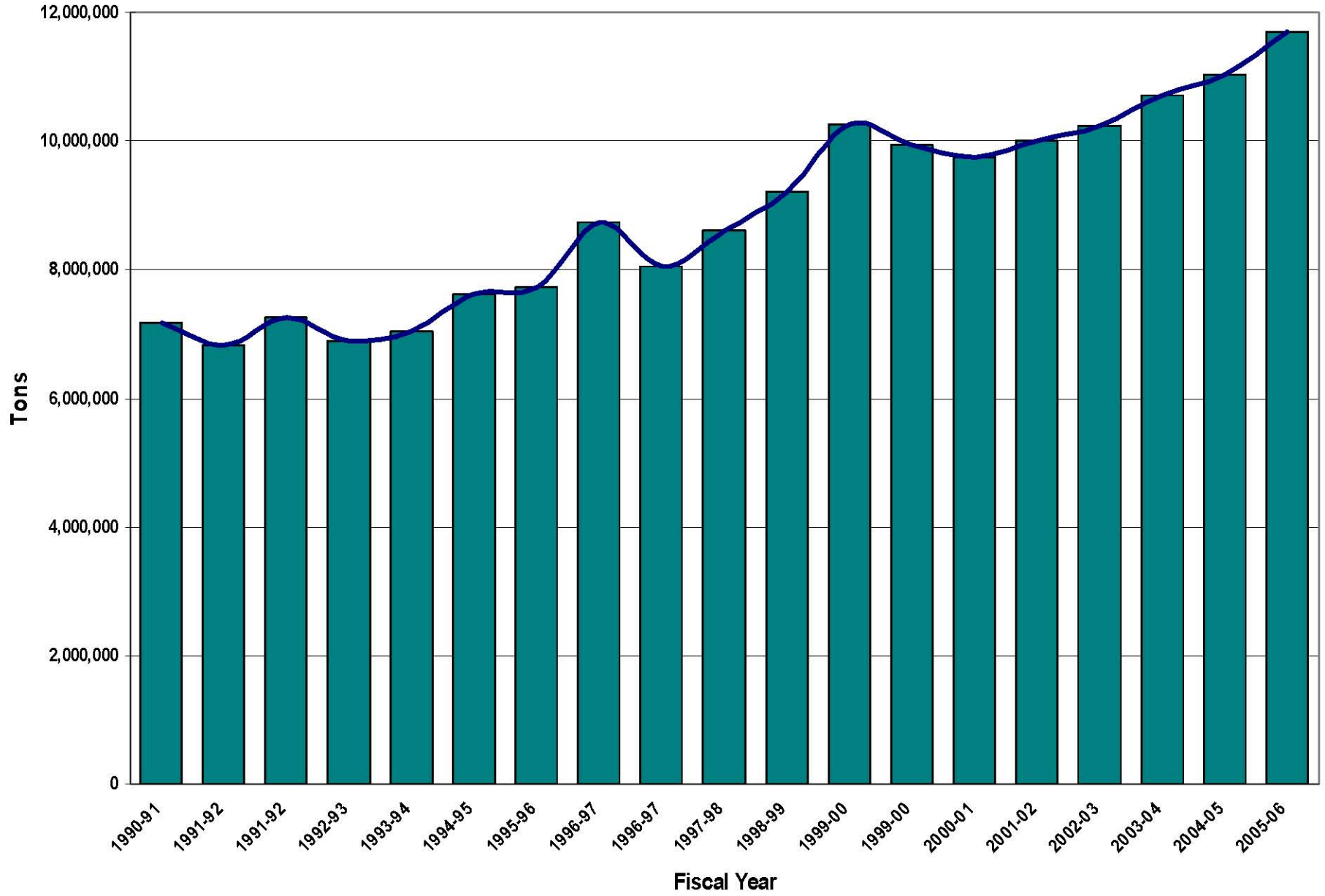
Transfer

- 500.64 - 25,000.00
- 25,000.01 - 100,000.00
- 100,000.01 - 200,000.00
- 200,000.01 - 400,000.00
- 400,000.01 - 1,000,000.00

Facilities

- CDLF
- MSWLF
- ▲ TRANSFER

Tons of Solid Waste Disposed of by North Carolina



Information from the Dept. of Revenue

- Disposal tax applies to:
 - All in-state MSW landfills
 - All in-state C&D landfills
 - All in-state transfer stations on tonnage sent to an out-of-state landfill.
- Disposal tax to be filed on a quarterly basis.
- First return for the quarter July-Sept, 2008 is due on Oct 31, 2008.

What about “Bad Debt?”

- Bad debt: customer accounts found to be worthless and charged off for income tax purposes.
- A local government may also reduce its tax due for worthless accounts.
- Tax liable parties would reduce the overall tonnage on which it pays tax by the tonnage from the worthless account.
- If a tax liable party subsequently collects on an account that has been declared worthless, any tax recovered must be repaid in the next calendar quarter.
- If a taxpayer has bad debt deductions, they would reduce the tons they report on the report form (E-500K, Solid Waste Disposal Tax Return) by the number of tons for which the taxpayer was not paid.

Distributions

- Based on collections received on a quarterly basis and on payments received in that quarter.
- Distributions approximately 45 days after the end of the quarter.
- Municipalities and counties that do not provide solid waste services not eligible for distributions
- Local distributions *can only be used for solid waste management programs and services.*

Calendar on Flow of Revenues

- FY 08-09 First Quarter – *July, August, September*
 - **Disposal Tax Applied to Disposed Tons**
- FY 08-09 Second Quarter - *October, November, December*
 - **Revenues from First Quarter Arrive in Dept of Revenue**
- FY 08-09 Third Quarter – *January, February, March*
 - **First Distribution of Disposal Tax proceeds (from tax applied in first quarter and received by DOR in second quarter)**
 - **Approximate distribution date: February 16**
- FY 08-09 Fourth Quarter – *April, May, June*
 - **Second Distribution of Disposal Tax proceeds (from tax applied in second quarter and received by DOR in third quarter)**
 - **Approximate distribution date: May 15**
- Subsequent Distributions: ~ **Aug 15, Nov 15, Feb 15, May 15**

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