

Shift sewerage collection (3.852%) and refuse collection (3.6%) from PUT to retailing B&O tax (0.471%) and retail sales tax (6.5%)

Description This proposal would impose retailing B&O and retail sales tax on sewerage and refuse collection services.

- The gross income from customers for sewerage collection, retention, transfer, treatment, and disposal would be subject to the retailing B&O tax classification and retail sales tax would be collected from the customer.
- The gross income from customers for refuse collection would also be subject to retailing B&O tax and retail sales tax would be collected from the customer.
- Charges to persons other than customers, such as the landfill charge to the refuse collector, would be subject to the wholesaling B&O tax classification.
- The refuse collection tax would be repealed.

Current Law

- Amounts attributable to sewerage collection are subject to PUT at the rate of 3.852%.
- Amounts attributable to sewerage retention, transfer, treatment, and disposal are subject to the service and other activities B&O tax classification at the rate of 1.8%.
- The gross income received for refuse collection is subject to the service and other activities B&O tax classification at the rate of 1.8%.
- Refuse collection tax is due from the customer at the rate of 3.6%. The tax does not apply to recycling charges.

Revenue Impact

General Fund Impacts (\$ millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$16.3	\$16.2

Notes:

- *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
- *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*

Expenditure Impact

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$49,700	\$28,700	\$78,400