

Chapter 22

Solid Waste Collection Tax

82.18.010(3) - Hazardous or toxic waste

Description The solid waste collection tax under RCW 82.18 does not apply to hazardous or toxic waste. The tax rate is 3.6 percent of the revenue from the collection services.

Purpose To recognize that hazardous material is not every day "solid waste," which is defined as garbage, trash, rubbish, or other material discarded as worthless or not economically viable for further use. Toxic wastes require special services.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.565	\$0.606	\$0.650	\$0.696
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would increase revenue.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.555	\$0.650	\$0.696
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Of the total solid waste generated, one percent is hazardous or toxic.
- Revenue impact grows 7.2 percent a year.
- 11 months of collections in Fiscal Year 2021 due to July 1, 2020, effective date.

Data Sources

- Department of Revenue
- Department of Ecology

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1986
Primary Beneficiaries:	Hazardous waste collection businesses and indirectly, the Washington public
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2016

82.18.010(3) - Recycling or salvage materials

Description The solid waste collection tax under RCW 82.18 does not apply to material collected primarily for recycling or salvage. The tax rate is 3.6 percent of the revenue from the collection services.

Purpose To recognize that recyclables are not "solid waste," which is defined as garbage, trash, rubbish, or other material discarded as worthless or not economically viable for further use.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$44.100	\$47.300	\$50.700	\$54.300
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would increase revenue.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$43.300	\$50.700	\$54.300
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Of the total solid waste generated, 78 percent are recyclables and salvage materials.
- Growth of 7.2 percent a year.
- 11 months of collections in Fiscal Year 2021 due to July 1, 2020, effective date.

Data Sources

- Department of Revenue
- Department of Ecology

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1986
Primary Beneficiaries:	Solid waste collection businesses and indirectly, the Washington public
Taxpayer Count:	270
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2016

82.18.050 - Refuse service for federal government

Description Exemption from the 3.6 percent refuse collection tax is allowed for garbage collection service provided to the federal government.

Purpose To reflect the prohibition against taxing the federal government.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.459	\$0.477	\$0.490	\$0.511
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would not increase revenues as the state is prohibited from taxing the federal government.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

Collecting tax revenue would be unconstitutional, there is no revenue gain.

Data Sources

Economic and Revenue Forecast Council

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1986
Primary Beneficiaries:	U.S. government and its agencies
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

82.18.060 - Using services of another solid waste collection business

Description The solid waste collection tax under RCW 82.18 does not apply to any solid waste collection business using the services of another solid waste collection business for the transfer, storage, processing, or disposal of the waste collected during the transaction. The tax rate is 3.6 percent of the revenue for the services.

Purpose To prevent pyramiding and multiple taxation of a single transaction.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$12.900	\$14.600	\$16.700	\$19.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would increase revenue, but it could result in multiple taxation of a single transaction.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$13.400	\$16.700	\$19.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Growth of 13.8 percent a year.
- 11 months of collections in Fiscal Year 2021 due to July 1, 2020, effective date.

Data Sources

Department of Revenue

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1986
Primary Beneficiaries:	Solid waste collection businesses
Taxpayer Count:	50
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC