



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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JON S. CORZINE
Governor



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cc: Admin
DPW

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Acting State Treasurer

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NOTICE TO ALL SOLID WASTE FACILITIES AND HAULERS

Your business has received this mailing because our records indicate that your business name appears on a list of licensed solid waste facilities and haulers provided by the Department of Environmental Protection. As a result, the Division has concluded that you may be subject to the Recycling Tax. If so, you must update your registration information immediately to reflect your subjectivity.

THE EFFECTIVE DATE OF THE RECYCLING TAX IMPOSITION IS APRIL 1, 2008.

On March 26, 2008, Governor Corzine signed into law Bill A-1910(3R), which amends the Recycling Tax law (P.L. 2007, c.311). Pursuant to the new law, the Recycling Tax is no longer imposed on transactions which occurred between January 13, 2008 and March 31, 2008. No tax is due on these transactions. THE RECYCLING TAX APPLIES TO TRANSACTIONS BEGINNING APRIL 1, 2008.

SUBJECTIVITY

P.L. 2007, c.311, as modified by Bill A-1910(3R), imposes a Recycling Tax on every ton of solid waste accepted for disposal or transfer at a solid waste facility. Every owner or operator of a solid waste facility in New Jersey is subject to this tax.

The Recycling Tax is further imposed on every ton of solid waste collected by a solid waste collector that transports solid waste for transshipment or direct transportation to an out-of-state disposal site. Waste haulers who do not haul waste out of New Jersey or to a railroad transfer station are not required to file and remit this tax. If you should determine that the Recycling Tax is not at all applicable to your business, you have no obligation to register as a direct taxpayer.

The Recycling Tax is imposed at the rate of \$3.00 per ton. But for the listed exemptions below, all transactions are subject to the Recycling Tax regardless of whether they relate to a contract that is currently in existence.

DEFINITIONS

"Solid waste facility" means all transfer stations, incinerators, resource recovery facilities, sanitary landfill facilities and all other facilities registered, licensed or permitted as a solid waste facility by the New Jersey Department of Environmental Protection.

The law provides that owners or operators of railroad transfer stations or other facilities designed exclusively to transport waste on railroads are NOT subject to the Recycling Tax.

"Solid waste", for purposes of this tax, is limited to the following waste ID types: Type 10 Municipal; Type 13 Bulky waste; Type 13C Construction and Demolition waste; Type 23 Vegetative waste; Type 25 Animal and food processing wastes; and Type 27 Dry industrial waste, as defined by N.J.A.C.7:26-1.6 and N.J.A.C.7:26-2.13, which includes Type 27-AA asbestos-containing waste. Type 12 Dry Sewage Sludge is no longer included as a solid waste for Recycling Tax purposes.

"Solid waste collector" is defined as a person engaged in the collection of solid waste and is registered pursuant to sections 4 and 5 of P.L.1970, c.39 or any municipality wherein the municipal governing body has established and operates a municipal service system for solid waste collection pursuant to R.S.40:66-1.

“Resource recovery facility” means a solid waste facility constructed and operated for the incineration of solid waste for energy production and recovery of metals and other materials for reuse; or a mechanized composting facility, or any other solid waste facility constructed or operated for the collection, separation, recycling, and recovery of metals, glass, paper, and other materials for reuses or for energy production.

“Materials recovery facility” means a transfer station or other authorized solid waste facility at which nonhazardous solid waste, which material is not source separated by the generator thereof prior to collection, is received for onsite processing and separation utilizing manual or mechanical methods for the purposes of recovering recyclable materials for disposition and recycling prior to the disposal of the residual solid waste at an authorized solid waste facility.

REGISTRATION

Subject taxpayers must register for the Recycling Tax by April 1, 2008. If you are not already registered for New Jersey tax purposes, you may register online at:

https://www.state.nj.us/cgi-bin/treasury/revenue/dcr/reg/sos_dcmew01_page1.cgi (Select Register a new business entity).

If you are already registered, you must update your registration online at:

https://www1.state.nj.us/TYTR_REGC/jsp/OwnershipLogin.jsp (Online Registration Change Service).

Your online PIN, as listed in the Employer Quarterly Report (NJ-927), will be required. Call the Client Registration Branch of the Division of Revenue at (609) 292-1730 for assistance with the PIN or other questions relating to registration.

FILING AND PAYMENT

The Recycling Tax is applicable to the acceptance of solid waste beginning on April 1, 2008. The tax will be reported, paid and remitted electronically on a quarterly basis on the 20th day of the month following the end of each quarter. **The first return filing, covering the initial quarter, April 1 through June 30 is DUE on July 20, 2008.** Upon registration, the Division will mail your business detailed information regarding filing and payment methods.

PASS-THROUGH OF TAX OBLIGATION

The law allows for the pass-through of the tax obligation from subject taxpayers to their customers in amounts equivalent to the tax. This pass-through may occur from solid waste facilities down to haulers at the time of the solid waste transfer and then again from haulers to solid waste generator customers. Likewise, where solid waste collectors are direct taxpayers, they may choose to pass-through an amount equal to the tax obligation to solid waste generator customers. The pass-through may be represented on invoices or statements as a recycling surcharge to reflect the amount of Recycling Tax due on the tonnage accepted as a separate line item on every customer bill or statement. It should be noted that no solid waste generators are exempt from this pass-through surcharge.

EXEMPTIONS

The Recycling Tax shall NOT be imposed on the acceptance and disposal of:

- ash residue resulting from the incineration of solid waste at a **resource recovery facility**;
- solid waste originating from out-of-State sources under a contract with a **solid waste facility** awarded prior to December 31, 2007 if the contract does not include a change-in-law or similar mechanism by which the Recycling Tax imposed may be passed through as a fee or surcharge on the rate and charges set forth in the contract;
- solid waste originating from in-State sources under a contract with a **resource recovery facility** awarded prior to December 31, 2007 if a contract does not include a change-in-law or similar mechanism by which the Recycling Tax imposed may be passed through as a fee or surcharge on the rate and charges set forth in the contract;
- solid waste transported from an in-State transfer station from which the Recycling Tax has been levied on the owner or operator thereof to an in-State solid waste facility for final disposal;
- type 13C Construction and Demolition waste accepted at a **material recovery facility**, provided that the facility meets or exceeds the recycling materials extraction rate as established by the Department of Environmental Protection;
- residue resulting from the operations of a **scrap processing facility** as defined in section 2 of P.L.1987, c.102; and
- residue generated as a result of the use of post-consumer waste material in the manufacture of a recycled product which constitutes at least 75% of total annual sales dollar volume of the products manufactured by a manufacturer in this State.

For additional tax information, contact the Regulatory Services Branch at (609) 292-5995 or for information from the Department of Environmental Protection, contact Frank Coolick, Administrator of the Solid and Hazardous Waste Management Program at (609) 633-1418.