

Solid Waste Management Tax (SWMT) Rebate: A Targeted Incentive to Reduce Landfilling and Increase Materials Recovery

The Challenge: Growth in the Landfilling of Waste

Despite counties investing heavily in education and recycling/composting programs, Minnesota's waste volumes continue to increase and the rate of landfilling remains higher than the statewide goals. One of the primary barriers to improving our waste processing and resource recovery infrastructure is **the capital cost of equipment and technology** needed to extract more recyclable and reusable materials from mixed waste streams.

The Solution: SWMT Rebate for Recovered Materials

This bill proposes a **rebate from the Solid Waste Management Tax (SWMT)** to public and private facilities to increase **recovery of recyclable, compostable, or reusable materials**. The rebate is:

- **Performance-based** – *offered only for documented recovered materials*
- **Technology-agnostic** – *available to public or private operators*
- **Outcome-focused** – *rewards actual environmental benefit*

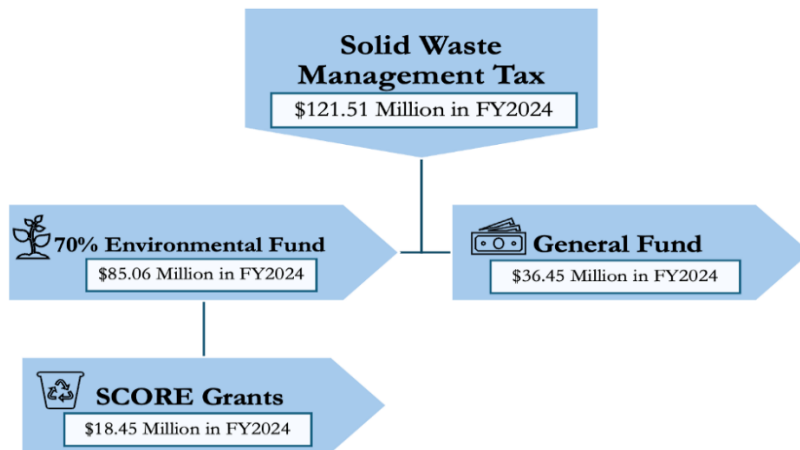
This financial incentive promotes **efficiency, performance, and investment** in high-impact waste processing systems. The rebate will also help cover **debt service costs** for essential infrastructure upgrades.

Funding the Rebate: Redirecting Growth, Not Creating Burden

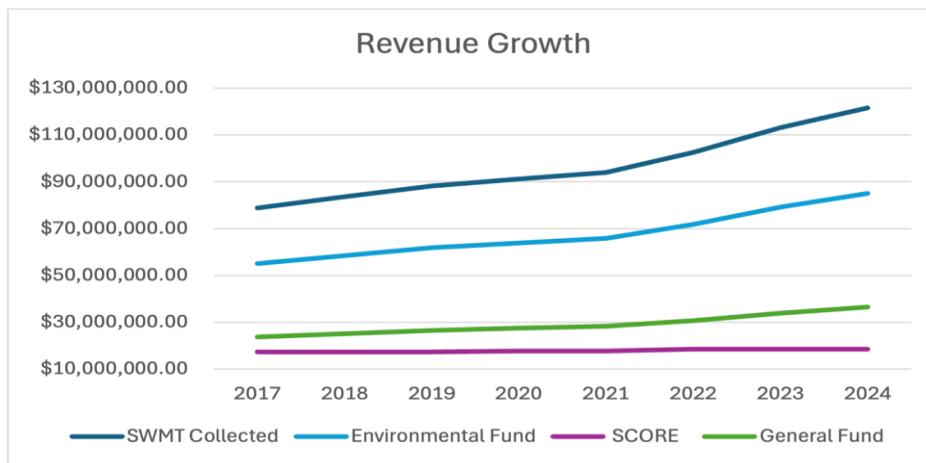
The rebate will be funded by **diverting a portion of the growth in SWMT revenues** currently flowing to the General Fund. This means:

- **No new taxes**
- **No loss of current funding**
- **Minimal fiscal impact in the short term**

The figure below represents the total value of the SWMT revenues collected and how they are currently allocated, with approximately 30% of the revenues going to the General Fund.



The graph below depicts the growth in the SWMT collected over the last eight years and its impact on the relevant allocations. Specifically, the dollars allocated to the General Fund increased by nearly \$13 million between 2017 and 2024 and are projected to grow in the future. Diverting a portion of this revenue for a SWMT rebate will provide direct environmental benefit.



Why This Bill Matters

- ✓ **Drives Investment** in waste diversion technologies
- ✓ **Encourages Measurable Results** through pay-for-performance only
- ✓ **Reduces Landfilling** to achieve state policy goals
- ✓ **Supports Public and Private Innovation** with targeted investment
- ✓ **Protects Taxpayer Dollars** through use of existing revenue streams