



# Solid Waste Management TAX DEFINITION CHANGE for Nonprofit Thrift (HR1352 / SF2437)

## Overview

Minnesotans generously donate millions of goods to nonprofit thrift stores every year. These donations provide funding for services that help connect people to critical community services. Despite our successful and creative efforts to divert millions of pounds from landfills annually, we still receive some items that are not sellable or salvageable and ultimately end up in the waste stream.

In Minnesota, the Solid Waste Management (SWM) state tax rate is 9.75% for residential generators and 17% for commercial generators of waste. The tax is based on the sales price charged by the trash provider and the type of waste generator. Currently, nonprofit thrift providers are taxed at the higher 17% commercial waste generator state tax rate.

## Current Waste Definitions

- **“Residential” generators** include single-family homes, apartments, townhomes & manufactured home parks.
- **“Commercial” generators** include anyone who owns or operates a business or other enterprise that generates mixed municipal solid waste.

Nonprofit thrift organizations are not generators of waste but rather receive residential donations--most of which are diverted from the waste stream through resale or salvage efforts. We are diligent in finding other markets for items that don't sell in our stores including buyers for used candle wax, single shoes, old suitcases, stuffed animals and more.

**A change in the definition of “residential” to include nonprofit thrift would mean that these nonprofits could invest that savings back into local community programs.**

## County Level Support

We have successfully sought solid waste tax waivers at the local level. County-level waivers (from Commercial to Residential) with Ramsey and Hennepin County have lowered our tax burden locally. These counties see nonprofit thrift retailers as a key partner in the shared goal of diverting much of the residential donations from the waste stream.

## For More Information, contact

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## Nonprofit Partners

