

Section T

Waste Reduction and Recycling Fee

BASIC PROVISIONS AND TAX BASE OF THE NEBRASKA WASTE REDUCTION AND RECYCLING INCENTIVE ACT

The Nebraska Waste Reduction and Recycling Incentive Act imposes a fee of one dollar on each tire of every new motor vehicle, trailer, or semi-trailer sold at retail and registered in Nebraska. The fee is collected by the county treasurer at the time of registration and is remitted to the Department of Revenue for deposit in the Waste Reduction and Recycling Incentive Fund. This Fund is administered by the Nebraska Department of Environmental Quality.

In addition, a fee of one dollar is imposed on every new tire for a motor vehicle, trailer, semi-trailer, or farm tractor sold at retail. The fee is collected by the retailer in the same manner as sales tax and is remitted to the Department of Revenue for deposit in the Waste Reduction and Recycling Incentive Fund.

Effective for tax periods starting July 1, 1999, an annual waste reduction and recycling fee is imposed on all businesses with retail sales of tangible personal property, which is subject to the tax imposed by the Nebraska Revenue Act of 1967. The fee is \$25 for each Nebraska location with retail sales of tangible personal property of \$50,000 or more. This fee is collected in the same manner as the litter fee. The fee is collected by the Department of Revenue for deposit in the Waste Reduction and Recycling Incentive Fund.

The State Tax Commissioner deducts and withholds from the above fees a collection fee to reimburse the Nebraska Department of Revenue for the actual cost of collecting and administering the above fees and deposits the collection fees in the Waste Reduction and Recycling Incentive Fees Collection Fund. The Legislature appropriates money from this collection fund for the Department of Revenue to cover the actual costs of administering the program.

WASTE REDUCTION AND RECYCLING FEES

Statutory Reference and Description	Estimated Tax Expenditure Cost NA = Not Available
EXEMPTIONS	
Sections 81-15,159 through 81-15,165 A qualified tire does not include: any new tire sold specifically for use on off-road vehicles, such as bicycles, golf carts, riding lawnmowers, and farm implements (plows, disks, wagons, etc., but includes farm tractor tires, which are taxable). Any recapped or re-grooved tire, regardless of the intended use.	\$755,400
Sections 81-15,159 through 81-15,165 Qualified tires sold for resale purposes.	\$460,600
Sections 81-15,159 through 81-15,165 Qualified tires sold and delivered to another state.	\$34,230
Sections 81-15,159 through 81-15,165 Qualified tires sold to the federal government and its agencies.	\$2,150
Sections 81-15,159 through 81-15,165 Qualified tires sold to Native American Indians if the Native American Indian resides on a Nebraska reservation, holds a Nebraska tax exemption identification card and delivery of the tire(s) takes place on the reservation.	(Included in above)

DEDUCTION

The State Tax Commissioner shall deduct and withhold from the fees collected pursuant to sections 81-15,162 and 81-15,163 (fees on tires and the annual waste reduction and recycling fee) a fee sufficient to reimburse himself or herself for the actual cost of collecting and administering such fees and shall credit such collection fee to the Waste Reduction and Recycling Incentive Fees Collection Fund. The Legislature shall appropriate money from the fund to the Department of Revenue to cover the actual costs of the department in administering sections 81-15,159 to 81-15,165.

\$72,050

RECOMMENDATIONS

The Nebraska Department of Revenue has no recommendations.