



STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF TAXATION  
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**NOTICE TO ALL SOLID WASTE FACILITIES**

**On January 13, 2008, P.L. 2007, c.311 was signed into law and immediately imposed 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, except those exempt by law, are 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.**

**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.**

**THE RECYCLING TAX IS IMPOSED ON ALL  
TRANSACTIONS BEGINNING JANUARY 13, 2008.**

**Be aware that there is now pending before the New Jersey Legislature Bill S-796, which proposes to amend the current Recycling Tax law to reflect a new effective date of this imposition to April 1, 2008. As there is no guarantee that this measure will pass, the current law remains in place. The Division will continue to monitor this proposed legislation and notify taxpayers of any changes to the law if and when they occur.**

**DEFINITIONS**

“Solid waste facilities” means and includes the plants, structures and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by, or on behalf of any person, public authority or county pursuant to the provisions of P.L.1970, c.39 or any other act, including transfer stations, incinerators, resource recovery facilities, sanitary landfill facilities or other plants for the disposal of solid waste, and all vehicles, equipment and other real and personal property and rights therein and appurtenances necessary or useful and convenient for the collection or disposal of solid waste in a sanitary manner.

**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 12 Dry sewage sludge; 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.

“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 immediately for the Recycling Tax. 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\\_dcrnew01\\_page1.cgi](https://www.state.nj.us/cgi-bin/treasury/revenue/dcr/reg/sos_dcrnew01_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](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) 292-9292 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 January 13, 2008. The tax will be reported, paid and remitted electronically on a quarterly basis on the 1<sup>st</sup> day of the month following the end of each quarter. The first return filing, covering the short period of January 13 through March 31 has been extended to **APRIL 20, 2008**. **PAYMENT REMAINS DUE ON APRIL 1, 2008** and must reflect a best estimate of your tax obligation.

## **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. The pass-through is available from solid waste facilities to solid waste collector customers at the time of the solid waste transfer. A pass-through is also available from solid waste collectors to solid waste generator customers.

Solid waste facilities can choose to represent the pass-through of the obligation on their 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.

Solid waste collectors are authorized to calculate, charge and collect rates, fees or surcharges from all solid waste generators serviced by the solid waste collector sufficient to recover the recycling surcharge collected by the solid waste facility, or to recover any direct tax obligations owed for tonnage collected for transshipment or direct transportation to an out-of-State disposal site directly.

## **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 recycling materials extraction rates 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 the State as determined by the Director.

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.