

## New / Increased Tipping Fees

- PWIA is strongly opposed to the Governor's proposal to increase fees or taxes imposed on municipal and residual waste landfills by \$1.75, bringing the total state fees to \$8.00 per ton. This proposal would also impose a new \$8.00 per ton fee on residual waste landfills and on construction and demolition waste landfills.
- PWIA believes that this proposed increase would damage the efficiency of waste disposal in the Commonwealth and produce corresponding negative impacts to Pennsylvania's \$4.2 billion waste management industry, as well as the overall state economy.
- According to PWIA's study, *Economic Impacts of the Municipal Waste Industry in Pennsylvania*, landfills already pay approximately \$10 per ton in state and local taxes amounting to more than \$200 million a year on waste disposed in PA.
- When a \$4 per ton tipping tax was enacted in 2004, waste volumes reduced by 5.7 million tons – resulting in a deficit of more than \$20 million in annual state revenues projected from the new tax.
- PWIA believes that an additional increase would have a similar effect and could result in a further reduction by as much as 7 million tons of waste. That 7 million ton decrease in waste would reduce the revenues projected from the new fee by 33%.
- Even if the resultant reduction in waste volume was only half of the potential 7 million ton decrease, the corresponding loss of current fees and tax revenues would **exceed** the projected new revenue – yielding a **net loss** of tax revenues overall.
- A loss of tax revenues would negatively impact important statewide programs, including the Pennsylvania Recycling Fund and the Growing Greener Environmental Stewardship Fund, and cause a significant loss of revenue to the host municipalities.
- These losses could affect recycling programs at the municipal level, and could also affect the ability of municipalities to fund or finance various waste-related activities and other services which are dependent on the current fees.
- Increased fees can also be expected to cause a reduction in business that would not only directly affect waste facilities, but would also indirectly affect the thousands of individuals employed by the litany of businesses that support Pennsylvania's waste management industry. In addition, the fee itself would result in higher costs to those who pay for waste disposal in PA – households, small and large businesses, state and local government.