



Solid Waste Special Permits & Tax Incentive

City of Tacoma | Environmental Services | Finance

Government Performance & Finance Committee

November 4, 2025

ITEM #2



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OVERVIEW



- In 2024, Solid Waste Management (SWM) and Tax & License (T&L) collaborated on a tiered recycling tax deduction for solid waste businesses, with the goal to divert waste from our regional landfill
- Changes went into effect January 1, 2025

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BACKGROUND



TMC 12.09.070 Special Permits

- Defined **Recycling Rate**
- Require an annual recycling report in order to receive the tax deduction in Title 6
- ADC hauled before the year 2027 is reported as 50% recycling
- A permit reporting fee of \$150
- First-time applicant may submit an estimated Recycling Rate
- Annual Recycling Report amendments may be submitted each year (November 1 deadline)
- SWM may audit and inspect as needed to certify Recycling Rates

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BACKGROUND



TMC 6A.50 and 6A.100 – Solid Waste Collection Tax

- Established Recycling Tiers:

Tier	Recycling Rate	Tax Deduction
0	0%-1%	None
1	2% - 25%	12.5%
2	26% - 50%	37.5%
3	51% - 75%	62.5%
4	76% - 100%	100%

- Special Permit holder's Recycling Rate is certified by SWM each year and applied to tax filings during the subsequent calendar year
- Recycling tiers and tax deduction applies to public solid waste utilities under 6A.100 in compliance with City Charter

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PERMIT STATUS



- 58 Permits issued in 2024
- 46 Permits issued in 2025
 - Businesses determined to no longer need a permit (Environmental Remediation)
 - Not operating in Tacoma any longer
 - Businesses require additional follow up to determine whether they are still operating – enforcement action may be required

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PERMIT STATUS



Recycling Tier	Recycling Rate	2024 Permits	2025 Permits
0	0-1%	35	19
1	2-25%	0	1
2	26-50%	2	4
3	51-75%	1	2
4	76-100%	20	11

- In 2025, 10 Permittees are not taxed as Solid Waste Collection Businesses, but still require a Special Permit
 - Metals Recyclers & Manufacturing Facilities - 99% Recycling
 - Self-Haulers – Garbage only

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PROCESS



- Permit Application and Administration is done through Smartsheet.
- Recycling Reports are certified in Fall and published for T&L to adjust next year's deductions.
- Additional Smartsheet processes being built for reporting bad-actors and automating enforcement letters.

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HEALTH, EQUITY & SUSTAINABILITY ANALYSIS



- 2025 Reported Tonnages:

Recycling Tonnage	399K Tons
Waste Tonnage	243K Tons
Total	642K Tons
Recycling Rate	62%

- Most permittees submit State-required DOE Recycling Survey for their Special Permits Report.
- Data reports are largely voluntary, so data is incomplete and skews toward recycling.

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FISCAL IMPACT



Solid Waste Collection Tax	Est Annual Revenue	2025 Actual Revenue Year to Date*	Annualized Revenue Based on Actuals
Tacoma Solid Waste Management	\$125,000	\$125,000	\$190,000
Private Collectors/Haulers	\$975,000	\$415,000	\$610,000
Total	\$ 1,100,000	\$540,000	\$800,000

* YTD includes: 8 monthly tax periods and 2 quarterly tax periods

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NEXT STEPS



- SWM developing process for identification, notification and enforcement of businesses not complying with permit process.
- T&L communicating to SWM new businesses that may require a permit.
- Evaluate quality of reporting data and potential future updates to reporting requirements and permit fees.

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