

GENERAL ASSEMBLY OF NORTH CAROLINA
SECOND EXTRA SESSION 1996

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SENATE BILL 42

Short Title: Revise Newsprint Tax.

(Public)

Sponsors: Senator Sherron.

Referred to: Finance.

July 16, 1996

A BILL TO BE ENTITLED

1 AN ACT TO SIMPLIFY AND REVISE THE TAX ON PUBLISHERS OF
2 NEWSPRINT PUBLICATIONS.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 105-102.6 reads as rewritten:

5 **"§ 105-102.6. Publishers of newsprint publications.**

6 (a) Purpose. – The purpose of this section is to provide incentives for the recycling
7 of newsprint and for the use of newsprint that contains recycled content.

8 (b) Definitions. – The following definitions apply in this section:

9 (1) Gross tonnage of newsprint consumed. – The weight in metric tons of
10 all newsprint consumed by a publisher.

11 (2) Newsprint. – Uncoated paper, whether supercalendered or machine
12 finished, made primarily from mechanical wood pulp combined with
13 some chemical wood pulp, weighing between 24.5 and 35 pounds for
14 500 sheets of paper two feet by three feet in size, and having a
15 brightness of less than 60.

16 (2.1) Nonvirgin newsprint. – Newsprint that contains recycled postconsumer
17 recovered paper.
18

- 1 (3) Postconsumer recovered paper. – Paper products, generated by a
2 business or consumer, that have served their intended end uses and have
3 been separated or diverted from solid waste.
- 4 (4) Publisher. – A person engaged in the business of producing publications
5 printed on newsprint who acquires and uses newsprint for this business.
- 6 (5) Recycled content percentage. – The percentage by weight of the total
7 gross tonnage of newsprint consumed by the publisher that is recycled
8 postconsumer recovered paper. For example, if a publisher consumes
9 10 tons of virgin newsprint, 10 tons of nonvirgin newsprint that contains
10 fifty percent (50%) recycled postconsumer recovered paper, and 10 tons
11 of nonvirgin newsprint that contains ten percent (10%) recycled
12 postconsumer recovered paper, the publisher's recycled content
13 percentage is 6/30 or twenty percent (20%).
- 14 (5.1) Recycled content tonnage. – The weight in metric tons of the total gross
15 tonnage of newsprint consumed by the publisher that is recycled
16 postconsumer recovered paper.
- 17 (5.2) Recycling. – Any process by which solid waste, or materials that would
18 otherwise become solid waste, are collected, separated, or processed,
19 and reused or returned to use in the form of raw materials or products.
- 20 (5.3) Recycling tonnage. – The weight in metric tons of newsprint that is
21 recycled or diverted to recycling by a publisher.
- 22 (5.4) Virgin newsprint. – Newsprint that does not contain recycled
23 postconsumer recovered paper.
- 24 (c) Minimum Recycled Content Percentage. – The recycled content percentage of
25 newsprint consumed by a publisher shall equal or exceed the following minimum
26 recycled content percentages:
- 27 During 1991 and 1992, twelve percent (12%).
28 During 1993, fifteen percent (15%).
29 During 1994, twenty percent (20%).
30 During 1995 and 1996, twenty-five percent (25%).
31 ~~During 1997 and 1998, thirty percent (30%).~~
32 ~~During 1999 and 2000, thirty five percent (35%).~~
33 ~~After 2000, After 1996, forty percent (40%).~~
- 34 ~~A publisher who has developed and operates or contracts for the operation of a~~
35 ~~newspaper recycling program shall receive partial credit toward the recycled content~~
36 ~~percentage goals established in this subsection on the basis of one half ton credit toward~~
37 ~~its total recycled content tonnage for each ton of recycling tonnage.~~
- 38 (d) Tax. – Every publisher shall apply for and obtain from the Secretary a
39 newsprint publisher tax reporting number and shall file an annual report with the
40 Secretary by January 31 of each year. The report shall include the following information
41 for the preceding calendar year:
- 42 (1) Tonnage of virgin newsprint consumed.
43 (2) Tonnage of nonvirgin newsprint consumed.

- 1 (3) Gross tonnage of newsprint consumed.
- 2 (4) Itemized percentages of recycled postconsumer recovered paper
- 3 contained in tonnage of nonvirgin newsprint consumed.
- 4 (5) Recycled content tonnage.
- 5 (6) Recycled content percentage.
- 6 (7) Recycling tonnage.

7 In addition, each publisher whose recycled content percentage for a calendar year is less
8 than the applicable minimum recycled content percentage provided in subsection (c) shall
9 pay a tax of ~~fifteen dollars (\$15.00)~~ fifty dollars (\$50.00) on each ton by which the
10 publisher's recycled content tonnage falls short of the tonnage of recycled postconsumer
11 recovered paper needed to achieve the applicable minimum recycled content percentage
12 provided in subsection (c). This tax is due when the report is filed. ~~No county or~~
13 ~~municipality may impose a license tax on the business taxed under this section.~~

14 (e) ~~Exemption.~~ ~~The tax levied in this section does not apply to an amount~~
15 ~~calculated pursuant to subsection (d) to the extent the amount is attributable solely to the~~
16 ~~publisher's inability to obtain sufficient recycled content newsprint because (i) recycled~~
17 ~~content newsprint was not available at a price comparable to the price of virgin~~
18 ~~newsprint; (ii) recycled content newsprint of a quality comparable to virgin newsprint~~
19 ~~was not available; or (iii) recycled content newsprint was not available within a~~
20 ~~reasonable period of time during the reporting period. In order to claim the exemption~~
21 ~~provided in this subsection, a publisher must certify to the Secretary:~~

- 22 (1) ~~The amount of virgin newsprint consumed by the publisher during the~~
23 ~~reporting period solely for one of the reasons listed above.~~
- 24 (2) ~~That the publisher attempted to obtain recycled content newsprint from~~
25 ~~every manufacturer of recycled content newsprint that offered to sell~~
26 ~~recycled content newsprint to the publisher within the preceding~~
27 ~~calendar year.~~
- 28 (3) ~~The name, address, and telephone number of each recycled content~~
29 ~~newsprint manufacturer contacted, including the company name and the~~
30 ~~name of the company's individual representative or employee.~~

31 (f) Use of Proceeds. – The Secretary shall, on or before April 15 of each year,
32 credit the net proceeds of the tax imposed by this section to the Solid Waste Management
33 Trust Fund created in G.S. 130A-309.12."

34 Sec. 2. This act becomes effective January 1, 1997.