

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 1999-346
HOUSE BILL 1479

AN ACT TO AMEND THE NEWSPRINT RECYCLING TAX.

The General Assembly of North Carolina enacts:

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

"§ 105-102.6. (Effective July 1, 1999) Publishers of newsprint publications.

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

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

- (1) Gross tonnage of newsprint consumed. – The weight in metric tons of all newsprint consumed by a publisher.
- (2) Newsprint. – Uncoated paper, whether supercalendered or machine finished, made primarily from mechanical wood pulp combined with some chemical wood pulp, weighing between 24.5 and 35 pounds for 500 sheets of paper two feet by three feet in size, and having a brightness of less than 60.
- (2a) Nonvirgin newsprint. – Newsprint that contains recycled postconsumer recovered paper.
- (3) Postconsumer recovered paper. – Paper products, generated by a business or consumer, that have served their intended end uses and have been separated or diverted from solid waste.
- (4) Publisher. – A person engaged in the business of producing publications printed on newsprint who acquires and uses newsprint for this business.
- (5) Recycled content percentage. – The percentage by weight of the total gross tonnage of newsprint consumed by the publisher that is recycled postconsumer recovered paper. For example, if a publisher consumes 10 tons of virgin newsprint, 10 tons of nonvirgin newsprint that contains fifty percent (50%) recycled postconsumer recovered paper, and 10 tons of nonvirgin newsprint that contains ten percent (10%) recycled postconsumer recovered paper, the publisher's recycled content percentage is 6/30 or twenty percent (20%).
- (6) Recycled content tonnage. – The weight in metric tons of the total gross tonnage of newsprint consumed by the publisher that is recycled postconsumer recovered paper.

- (7) Recycling. – Any process by which solid waste, or materials that would otherwise become solid waste, are collected, separated, or processed, and reused or returned to use in the form of raw materials or products.
- (8) Recycling tonnage. – The weight in metric tons of newsprint and magazines ~~that is~~ recycled or diverted to recycling by a publisher.
- (9) Virgin newsprint. – Newsprint that does not contain recycled postconsumer recovered paper.

(c) Minimum Recycled Content Percentage. – The recycled content percentage of newsprint consumed by a publisher shall equal or exceed the following minimum recycled content percentages:

During 1991 and 1992, twelve percent (12%).

During 1993, fifteen percent (15%).

During 1994, twenty percent (20%).

During 1995 and 1996, twenty-five percent (25%).

During 1997 and 1998, thirty percent (30%).

During 1999 ~~and 2000~~, through 2004, thirty-five percent (35%).

~~After 2000, 2004~~, forty percent (40%).

A publisher who has developed and operates or contracts for the operation of a newspaper or magazine recycling program shall receive partial credit toward the recycled content percentage goals established in this subsection on the basis of ~~one-half ton~~ one ton of credit toward its total recycled content tonnage for each ton of recycling tonnage.

(d) Tax. – Every publisher shall apply for and obtain from the Secretary a newsprint publisher tax reporting number and shall file an annual report with the Secretary by January 31 of each year. The report shall include the following information for the preceding calendar year:

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

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

(e) Exemption. – The tax levied in this section does not apply to an amount calculated pursuant to subsection (d) to the extent the amount is attributable solely to the

publisher's inability to obtain sufficient recycled content newsprint because (i) recycled content newsprint was not available at a price comparable to the price of virgin newsprint; (ii) recycled content newsprint of a quality comparable to virgin newsprint was not available; or (iii) recycled content newsprint was not available within a reasonable period of time during the reporting period. In order to claim the exemption provided in this subsection, a publisher must certify to the Secretary:

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

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

Section 2. This act becomes effective July 1, 1999.

In the General Assembly read three times and ratified this the 14th day of July, 1999.

s/ Dennis A. Wicker
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 8:52 p.m. this 22nd day of July, 1999