

**Interested Parties Meeting Agenda
Hazardous Substances Tax Regulations
April 18, 2024**

Welcome and Introductions

Item A – General background - Senate Bill No. 158 (Stats. 2021, ch.73)

- As of January 1, 2022, the hazardous waste generator fee was repealed and replaced with a new hazardous waste generation and handling fee.
- Effective January 1, 2022, a generator of hazardous waste shall pay a generation and handling fee for each generator site that generates five or more tons of hazardous waste within a calendar year at a flat rate per ton or fraction of a ton.
- The generation and handling fee is due in two equal installments, on or before November 30 and February 28 of each fiscal year.
- An annual return must be filed with the February 28 payment using electronic media.
- The fee is administered and collected by the California Department of Tax and Fee Administration (Department) in accordance with the Hazardous Substances Tax Law (HSTL).
- The Department is authorized to prescribe regulations related to the administration and enforcement of the HSTL.

Item B – Proposed Amendments to Regulation 3000, *Generator of Hazardous Waste*

- Change the title from “Generator of Hazardous Waste” to “Generator of Hazardous Waste Fee Operative Prior to January 1, 2022.”
- Subdivision (a) specifies that Regulation 3000 applies to the collection of the generator fee imposed pursuant to HSC section 25205.5 prior to January 1, 2022, and clarifies that proposed new Regulation 3001 applies to the collection of the generation and handling fee imposed pursuant to HSC section 25205.5 on and after January 1, 2022.

Item C – Proposed Amendments to Regulation 3021, *Relief from Liability*

- Add “generation and handling fee” to the list of fees and taxes collected pursuant to the HSTL for which the Department may grant relief from liability when the liability resulted from the failure to make a timely return or payment due to reasonable reliance on written advice given by the Department.

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Item D – Proposed Regulation 3001, *Generation and Handling of Hazardous Waste Fee*
Operative on and after January 1, 2022

- Subdivision (a) specifies that Regulation 3001 applies to the collection of the generation and handling fee imposed pursuant to HSC section 25205.5 on and after January 1, 2022, and clarifies that Regulation 3000 applies to the collection of the generator fee imposed pursuant to HSC section 25205.5 prior to January 1, 2022.
- Subdivision (b) defines key terms used in the regulation, including Department, disposal, facility, generator, hazardous waste, site, and treatment.
- Subdivision (c)(1) provides that unless an exemption or exclusion applies, a generator of hazardous waste shall pay to the Department a generation and handling fee for each generator site that generates five tons or more of hazardous waste in a calendar year, or portion of a calendar year. It also clarifies that the fee rate applies to each ton or fraction of a ton of hazardous waste generated at a generator site in a calendar year or portion of a calendar year.
- Subdivision (c)(2) explains that under HSC section 25205.5, a generator that is issued a hazardous waste facilities permit from the Department of Toxic Substances Control (DTSC) and pays the annual facility fee specified in HSC section 25205.2, may deduct certain hazardous waste from the amount of waste generated for purposes of the generation and handling fee under specified circumstances.
- Subdivision (d) clarifies that the generation and handling fee imposed on hazardous waste generated in a calendar year or portion of a calendar year is due and payable in two equal installments.
- Subdivision (d)(1) clarifies that the first payment is due on or before November 30 of the calendar year following the calendar year in which the hazardous waste was generated and the second payment is due on or before February 28 of the calendar year following the calendar year in which the first payment was due.
- Subdivision (d)(2) explains that every generator subject to the generation and handling fee shall electronically file an annual return on or before February 28 of the calendar year following the calendar year in which the first payment was due through the Department's online services portal via its website at www.cdtfa.ca.gov. It also includes an example illustrating that a generator required to pay the generation and handling fee for hazardous waste generated in calendar year 2022 shall pay one half of the generation and handling fee due on or before November 30, 2023, and shall pay the second half of the generation and handling fee due on or before February 28, 2024. The generator must also electronically file a return through the Department's online services portal via its website at www.cdtfa.ca.gov for the hazardous waste generated in calendar year 2022 on or before February 28, 2024.

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- Subdivision (e) clarifies that any generator who fails to timely pay the generation and handling fee, or any required portion thereof, or fails to timely file an annual return, will be subject to penalties and interest pursuant to Revenue and Taxation Code section 43155.

Item F – Conclusion

- Written comments regarding this proposed rulemaking or suggestions for alternative regulatory language are due May 3, 2024.
- Please submit to BTFD-BTC.InformationRequests@cdtfa.ca.gov.
- Next steps.

Contact Information

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