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HOUSE BILL NO. 2341

Offered January 12, 2011

Prefiled January 12, 2011

A *BILL to amend the Code of Virginia by adding in Chapter 17 of Title 58.1 an article numbered 9, consisting of sections numbered 58.1-1734 through 58.1-1737, relating to the plastic bag tax.*

Patrons—Morrissey, Barlow, Brink, Dance, Englin, Herring and Hope

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 17 of Title 58.1 an article numbered 9, consisting of sections numbered 58.1-1734 through 58.1-1737, as follows:

*Article 9.**Plastic Bag Tax.**§ 58.1-1734. Plastic bag tax.*

There is hereby levied upon every consumer of tangible personal property a tax in the amount of \$0.20 for each disposable plastic bag provided to the consumer by retailers in grocery stores, convenience stores, and drugstores. The tax shall be collected by the retailer, along with the purchase price and any other fees and taxes, at the time the consumer pays for such personal property.

§ 58.1-1735. Exemptions.

The tax imposed by this article shall not apply to the following:

1. Durable plastic bags, with handles, that are at least 2.25 mils thick and are specifically designed and manufactured for multiple reuse;

2. Plastic bags used to carry ice cream, meat, fish, poultry, leftover restaurant food, newspapers, dry cleaning, and prescription drugs; and

3. Multiple plastic bags sold in packages and intended for use as garbage, pet waste, and leaf removal bags.

§ 58.1-1736. Remittance of tax revenues to the Department.

The tax revenues collected shall be remitted to the Department of Taxation at the same time and in the same manner as the sales and use tax revenues are remitted in accordance with the provisions of § 58.1-615. However, every retailer that collects the tax imposed by this article shall be allowed to retain \$0.05 from every \$0.20 collected, or \$0.07 from every \$0.20 collected if the store has a customer bag credit program, provided such tax revenues are accounted for in the form of a deduction when submitting his return and paying the amount due in a timely manner.

§ 58.1-1737. Penalty for failure to collect and remit the tax.

Any retailer subject to the provisions of this article who fails to collect and remit the tax as required herein shall be subject to a fine of \$250 for the first offense, \$500 for the second offense, and \$1,000 for the third offense or subsequent offense. The Department shall enforce the provisions of this article.

INTRODUCED

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