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**HOUSE BILL NO. 124**

Offered January 11, 2012

Prefiled January 4, 2012

A *BILL to amend the Code of Virginia by adding in Chapter 17 of Title 58.1 an article numbered 9.1, consisting of sections numbered 58.1-1742 through 58.1-1745, relating to imposing a plastic bag tax.*

Patrons—Morrissey and Surovell

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 9.1, consisting of sections numbered 58.1-1742 through 58.1-1745, as follows:**

*Article 9.1.**Plastic Bag Tax.**§ 58.1-1742. Plastic bag tax.*

*There is hereby levied upon every consumer of tangible personal property a tax in the amount of 20 cents (\$0.20) for each disposable plastic bag provided to the consumer by retailers in grocery stores, convenience stores, or drug stores. The tax shall be collected by the retailer, along with the purchase price and all other fees and taxes, at the time the consumer pays for such personal property.*

*§ 58.1-1743. 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, or leaf removal bags.*

*§ 58.1-1744. Remittance of tax revenues to the Department.*

*The tax revenues collected shall be remitted by the retailer 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 five cents (\$0.05) from every 20 cents (\$0.20) collected, or seven cents (\$0.07) from every 20 cents (\$0.20) collected if the retailer has a customer bag credit program, provided such tax revenues are accounted for in the form of a deduction when submitting the tax return and paying the amount due in a timely manner.*

*§ 58.1-1745. 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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