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SENATE BILL NO. 114

Offered January 13, 2016

Prefiled December 28, 2015

A *BILL to amend the Code of Virginia by adding in Article 7.1 of Chapter 38 of Title 58.1 a section numbered 58.1-3835, relating to plastic bag tax in the Chesapeake Bay Watershed.*

Patron—Petersen

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 Article 7.1 of Chapter 38 of Title 58.1 a section numbered 58.1-3835 as follows:

§ 58.1-3835. Plastic bag tax in Chesapeake Bay Watershed.

A. Beginning July 1, 2016, in localities located wholly within the Chesapeake Bay Watershed a five-cent (\$0.05) tax shall be imposed on disposable plastic bags, whether or not provided free of charge, provided to a consumer of tangible personal property. Such tax shall be collected by retailers in grocery stores, convenience stores, or drug stores, along with the purchase price and all other fees and taxes, at the time the consumer pays for such personal property. However, every retailer that collects the tax imposed by this article shall be allowed to retain one cent (\$0.01) from every five cents (\$0.05) collected, provided such retailer discounts are accounted for in the form of a deduction when submitting the tax return and paying the amount due in a timely manner.

B. The tax imposed by this section shall not apply to the following:

- 1. Durable plastic bags, with handles, that are specifically designed and manufactured for multiple reuse;*
- 2. Plastic bags used to carry ice cream, meat, fish, poultry, leftover restaurant food, newspapers, or dry cleaning;*
- 3. Plastic bags used to carry alcoholic beverages or prescription drugs; and*
- 4. Multiple plastic bags sold in packages and intended for use as garbage, pet-waste, or leaf-removal bags.*

C. The Tax Commissioner shall collect, administer, and enforce this tax in the same manner that he collects, administers, and enforces the retail sales and use tax under Chapter 6 (§ 58.1-600 et seq.), mutatis mutandis. However, the dealer discount provided under § 58.1-622 shall not be allowed. The Tax Commissioner shall develop and make publicly available guidelines implementing the provisions of this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

The Department shall enforce the provisions of this section.

D. Revenues from the tax authorized under this section shall be deposited into the Virginia Water Quality Improvement Fund as established by Article 4 (§ 10.1-2128 et seq.) of Chapter 21.1 of Title 10.1 and set aside in a subaccount to fund initiatives to meet the Chesapeake Bay Watershed Implementation Plan.

INTRODUCED

SB114