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HOUSE BILL NO. 981

Offered January 10, 2018

Prefiled January 9, 2018

A BILL to amend the Code of Virginia by adding in Chapter 38 of Title 58.1 an article numbered 7.2, consisting of a section numbered 58.1-3835, relating to a local disposable paper and plastic bag tax.

 Patron—Rodman

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 38 of Title 58.1 an article numbered 7.2, consisting of a section numbered 58.1-3835, as follows:

*Article 7.2.**Disposable Paper Bag and Plastic Bag Tax.***§ 58.1-3835. Disposable paper bag and plastic bag tax.**

A. Any locality may, by duly adopted ordinance, impose upon every consumer of tangible personal property a tax in the amount of five cents (\$0.05) for each disposable paper bag or disposable plastic bag provided, whether or not provided free of charge, 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. 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 that 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 article 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. Paper and 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 and the revenues from the tax authorized under this section, after reimbursement of direct costs incurred by the Department of Taxation in administering and collecting this tax, shall be distributed by the Comptroller to the respective county or city imposing the tax as soon as practicable after the end of each month for which the tax is remitted. The Tax Commissioner shall develop and make publicly available guidelines implementing the provisions of this article. 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 article.

D. Each county or city ordinance imposing the tax shall provide for the tax to become effective on the first day of any calendar quarter. The county or city shall, at least six months prior to the date the tax is to become effective, provide a certified copy of such ordinance to the Tax Commissioner. Such ordinance shall provide that the locality shall use the funds for pollution and litter mitigation.

INTRODUCED

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