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HOUSE BILL NO. 1673

Offered January 17, 2020

A *BILL to amend the Code of Virginia by adding in Chapter 17 of Title 58.1 an article numbered 12, consisting of a section numbered 58.1-1745, relating to plastic bag tax; use of revenues.*

 Patron—Ware

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 12, consisting of a section numbered 58.1-1745, as follows:

*Article 12.**Plastic Bag Tax.***§ 58.1-1745. 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 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. The retailer shall also provide recycling receptacles at its place of business for such disposable plastic bags.

B. The tax imposed under 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. Plastic bags used to carry alcoholic beverages or prescription drugs;
4. Multiple plastic bags sold in packages and intended for use as garbage, pet waste, or leaf removal bags; and

5. Plastic bags sold to recipients of federal Supplemental Nutrition Assistance Program benefits.

C. The Tax Commissioner shall collect, administer, and enforce the tax imposed under this article 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 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. Revenues from the tax authorized under this section shall be deposited in equal sums into the Virginia Water Quality Improvement Fund as established by Article 4 (§ 10.1-2127.1 et seq.) of Chapter 21.1 of Title 10.1 and the Virginia Natural Resources Commitment Fund established by § 10.1-2128.1.

INTRODUCED

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