

# VIRGINIA ACTS OF ASSEMBLY -- 2020 SESSION

## CHAPTER 1023

*An Act to amend the Code of Virginia by adding in Chapter 17 of Title 58.1 an article numbered 12, consisting of sections numbered 58.1-1745 through 58.1-1748, relating to a local disposable plastic bag tax.*

[S 11]

Approved April 10, 2020

**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 sections numbered 58.1-1745 through 58.1-1748, as follows:**

*Article 12.*

*Disposable Plastic Bag Tax.*

**§ 58.1-1745. Disposable plastic bag tax.**

A. Any county or city may, by duly adopted ordinance, impose a tax in the amount of five cents (\$0.05) for each disposable plastic bag provided, whether or not provided free of charge, to a consumer of tangible personal property by retailers in grocery stores, convenience stores, or drugstores.

B. Any tax imposed under this section 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. All revenue accruing to the county or city from a tax imposed under the provisions of this article shall be appropriated for the purposes of environmental cleanup, providing education programs designed to reduce environmental waste, mitigating pollution and litter, or providing reusable bags to recipients of Supplemental Nutrition Assistance Program (SNAP) or Women, Infants, and Children Program (WIC) benefits.

C. Each local ordinance imposing the tax shall provide for the tax to become effective on the first day of any calendar quarter; however, in no event shall any tax imposed pursuant to this article become effective before January 1, 2021. The county or city shall, at least three months prior to the date the tax is to become effective, provide a certified copy of such ordinance to the Tax Commissioner.

**§ 58.1-1746. Exemptions.**

Any tax imposed pursuant to the provisions of this article shall not apply to the following:

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

2. Plastic bags that are solely used to wrap, contain, or package ice cream, meat, fish, poultry, produce, unwrapped bulk food items, or perishable food items in order to avoid damage or contamination;

3. Plastic bags used to carry dry cleaning or prescription drugs; and

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

**§ 58.1-1747. Retailer discount.**

A. Beginning January 1, 2021, and ending January 1, 2023, every retailer that collects a tax imposed by a county or city under this article shall be allowed to retain two cents (\$0.02) from the tax collected on each disposable plastic bag.

B. Beginning January 1, 2023, every retailer that collects a tax imposed by a county or city under this article shall be allowed to retain one cent (\$0.01) from the tax collected on each disposable plastic bag.

C. Any retailer that retains a discount pursuant to this section shall account for it in the form of a deduction when submitting its tax return and paying the amount due in a timely manner.

**§ 58.1-1748. Administration.**

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 in administering, enforcing, 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.).