

## 📖 TITLE FOUR - TAXATION

### Chapter x. Disposable Plastic Bag Tax

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#### 📖 x DEFINITIONS.

As used in this Chapter:

- (a) *“Convenience Store”* means an establishment that (i) has an enclosed room in a permanent structure where stock is displayed and offered for sale and (ii) maintains an inventory of edible items intended for human consumption consisting of a variety of such items of the types normally sold in grocery stores.
- (b) *“Disposable Plastic Bag”* means a plastic bag not intended for reuse that is provided by a Retail Establishment to a customer at the point of purchase to transport items purchased.
- (c) *“Drugstore”* means an establishment that sells medicines prepared by a licensed pharmacist pursuant to a prescription and other medicines and items for home and general use.
- (d) *“Grocery Store”* means an establishment that has an enclosed room in a permanent structure and that sells food and other items intended for human consumption, including a variety of ingredients commonly used in the preparation of meals. This definition does not include food banks, farmers markets, or mobile food units.
- (e) *“Retail Establishment”* means any grocery store, convenience store, or drugstore that maintains regular business hours at a fixed place of business within Loudoun County. The term Retail Establishment includes any large retailer within the County that contains a grocery store, convenience store or drug store.

## **x IMPOSITION AND RATE OF TAX.**

There is hereby imposed a tax in the amount of five cents (\$0.05) for each Disposable Plastic Bag provided by a Retail Establishment to a consumer of tangible personal property. This tax shall be collected whether or not such Disposable Plastic Bag is provided free of charge to the consumer.

## **x EXEMPTIONS.**

Pursuant to Virginia Code § 58.1-1746, the tax imposed by this Chapter shall not apply to the following items:

- (a) Durable plastic bags with handles that are specifically designed and manufactured for multiple reuse and that are at least four mils thick;
- (b) 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;
- (c) Plastic bags used to carry dry cleaning or prescription drugs; and
- (d) Multiple plastic bags sold in packages and intended for use as garbage, pet waste, or leaf removal bags.

## **x RETAILER DISCOUNT**

Pursuant to Virginia Code § 58.1-1747, every Retail Establishment that collects the tax imposed under this Chapter shall be allowed to retain a portion of the tax collected on each disposable plastic bag.

- (1) For the period beginning July 1, 2022, and ending January 1, 2023, every Retail Establishment that collects the tax imposed by this Chapter shall be allowed to retain two cents (\$0.02) from the tax collected on each disposable plastic bag, and
- (2) Beginning January 1, 2023, and continuing thereafter, every Retail Establishment that collects the tax imposed by this Chapter shall be allowed to retain one cent (\$0.01) from the tax collected on each disposable plastic bag.

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

## **x COLLECTION, ADMINISTRATION AND ENFORCEMENT**

The tax imposed by this Chapter shall be collected by the Retail Establishment, along with the purchase price and all other fees and taxes, at the time the consumer pays for the items of tangible personal property. The Tax Commissioner shall collect

from the Retail Establishment, administer, and enforce this tax, and he shall distribute the tax revenue to the County, in accordance with the requirements of Title 58.1, Chapter 17, Article 12 of the Code of Virginia, as amended.

 **x APPROPRIATION OF REVENUE.**

All Revenue received by the County from the tax imposed under this Chapter shall be appropriated for use for the following purposes only:

- (a) Environmental cleanup;
- (b) Providing education programs designed to reduce environmental waste;
- (c) Mitigating pollution and litter;
- (d) Providing reusable bags to recipients of the Supplemental Nutrition Assistance Program (SNAP) or the Women, Infants, and Children Program (WIC) benefits; or
- (e) Any other purpose expressly authorized by an applicable provision of the Code of Virginia.

 **x EFFECTIVE DATE**

The tax imposed under this Chapter shall become effective on July 1, 2022.