



Plastic Bag Tax FAQs for Businesses:

When does this law take effect?

January 1st, 2022

How much is the tax?

5-cents per disposable plastic bag

At which stores does the tax apply?

Any grocery store, convenience store, or drugstore located in the City of Roanoke. Larger retailers that contain a grocery store, convenience store, or drugstore are also subject to the tax. The store must maintain regular business hours at a fixed place of business in the City. This includes in-store purchases, to-go purchases, delivery purchases, and curbside pick-up purchases from its establishments within City limits.

The state's guidelines on definitions of these retailers are as followed:

- "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.
- "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.
- "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.
- Larger retailers that contain a grocery store, a convenience store, or a drugstore are subject to the tax. Such retailers shall collect the tax on all taxable plastic bags provided, regardless of the items sold.

Which stores are not included?

No store will be considered a convenience store solely because it offers a limited selection of snacks and beverages for sale at the point of sale.

What types of bags are excluded from the tax?

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

Will businesses be allowed any discounts for administration of this tax?

To compensate dealers for collecting, accounting for, and remitting the tax, dealers will receive a small portion of the tax in the form of a tax deduction. Beginning January 1, 2021 and ending January 1, 2023, dealers are allowed to retain two cents from the tax collected on each disposable plastic bag. Beginning January 1, 2023, dealers are allowed to retain one cent from the tax collected on each disposable bag.

How should stores process these returns?

The dealers shall report the number of disposable plastic bags and amount of tax for each locality to the Virginia Department of Taxation. The return must be filed and the tax paid by the dealer to this department on or before the 20th day of each month for the period ending the previous month.

How will the tax be administered?

The tax will be collected, administered, and enforced by the Virginia Tax Commissioner, in the same manner that the Retail Sales and Use Tax is administered. Following deductions from the retailer discount, and direct costs incurred by the Virginia Department of Taxation, remaining revenue will be distributed to the county at the end of each month.

What does the disposable bag tax money fund?

The state code stipulates that all revenue collected 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.

How do I reach the Virginia Department of Taxation?

- Physical address: Virginia Department of Taxation, Attention: Disposable Plastic Bag Tax, PO Box 27185, Richmond, VA 23261-71858.
- Website: www.tax.virginia.gov
- Phone number: (804) 367-8037

Where can I find the guidelines and additional information?

The final guidelines and helpful examples are available at www.tax.virginia.gov/guidelines-virginia-disposable-plastic-bag-tax. Information regarding which localities have imposed a plastic bag tax will be available at www.tax.virginia.gov/disposable-plastic-bag-tax.

Will the City provide business owners guidance to transition to the effective tax date?

Yes, City staff will develop outreach materials such as posters to put up at your business to help communicate the plastic bag tax and make them available on the City's website: roanokeva.gov/2706/Plastic-Bag-Tax. You can also contact the Office of Sustainability at (540) 853-5430.

Can customers bring their own bags to shop?

Yes, they are encouraged to do so and they will not need to pay the tax if they bring their own reusable bags.

Are plastic bags more hygienic than reusable bags?

There is no conclusive evidence that plastic bags are more hygienic than reusable bags. While some studies have shown bacterial growth on unwashed reusable bags, this bacteria is not usually harmful to humans (like most of the bacteria on surfaces around your home). While the risk of food-borne illnesses from reusable bags is extremely small, regularly washing your bags is recommended, especially to protect against COVID-19.

Can the plastic bag tax be paid for with EBT cards for SNAP or WIC recipients?

No, the state's grocery bag fees may not be paid for with SNAP or WIC benefits. In addition, the Food and Nutrition Service does not have authority to exempt SNAP or WIC clients from this fee. Therefore, grocery bag fees must be paid for using cash, credit card, or non-SNAP or WIC debit.