



City of Fredericksburg Plastic Bag Tax FAQs:

1. Why has the City of Fredericksburg adopted a plastic bag tax?

- a. Plastic bags frequently end up in local watersheds, polluting our natural landscapes and negatively impacting the fish and wildlife that depend on clean waterways. The plastic bag tax is intended to influence consumer behavior by discouraging consumers from using single-use disposable plastic bags, thereby reducing plastic bag residue in our local streams, rivers and lakes. As an added benefit, the revenue collected from the plastic bag tax can help fund pollution reduction and environmental education programs.

2. When does the tax take effect?

- a. With the adoption of the ordinance on September 28, 2021, the tax will become effective January 1, 2022. This follows the timeline defined by the enabling legislation, which says that each local ordinance imposing the tax shall provide for the tax to become effective on the first day of any calendar quarter.

3. How, exactly, will the city use the funds generated by this tax?

- a. The tax revenue may be used for the following purposes: fund existing city programs to reduce litter and pollution, fund education efforts to reduce waste, clean up the environmental, and provide free reusable bags to people in state and federal food assistance programs including SNAP and WIC.

4. Which retailers are impacted by the tax?

- a. The tax shall be collected by retailers in grocery stores, convenience stores and drug stores. Definitions for each are included in the Virginia Department of Taxation final guidelines and are included below:
 - i. 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.
 - ii. 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.
 - iii. 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.

Affected retailers include convenience stores that also sell gasoline. In such locations, disposable plastic bags provided at check-out to customers to carry groceries are subject to the tax.

Additionally, larger retailers that contain a grocery store, a convenience store, or a drug store are subject to the tax. Such retailers shall collect the tax on all disposable plastic bags provided, regardless of the items sold. However, 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. In order to be subject to the tax in a locality, a grocery store, convenience store, or drug store must maintain regular business hours at a fixed place of business in the locality.

5. Why are certain retailers included and others excluded? Why aren't all retailers covered by this new tax?

- a. The types of retailers covered by this plastic bag tax were determined at the state level. The City of Fredericksburg plastic bag tax ordinance is a reflection of the [legislation](#) passed by the General Assembly in 2020.

6. Does the tax extend to all disposable plastic bags?

- a. No, the plastic bag tax includes several exceptions, as outlined in the enabling legislation. These exceptions are:
 - i. Durable plastic bags with handles that are specifically designed and manufactured for multiple reuse and that are at least 4-mils thick;
 - ii. 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;
 - iii. Plastic bags used to carry dry cleaning or prescription drugs
 - iv. Multiple plastic bags sold in packages and intended for use as garbage, or pet waste.

7. Does the tax apply to online purchases?

- a. Yes, according to the final guidelines released in September 2021, the plastic bag tax applies to consumers who make in-store, to-go, delivery or curbside pick-up purchases if those purchases are provided in a disposable plastic bag.

8. Does the plastic bag tax apply to groceries ordered through a home delivery service?

- a. The plastic bag tax applies to disposable plastic bags provided at point of sale for in-store, to-go, delivery and curbside pick-up purchases from establishments located within a locality that has adopted the tax.

The tax is based on the location of the store. If the store is in the City of Fredericksburg, the tax would apply.

9. How will the plastic bag tax be enforced at self-checkout?

- a. In other jurisdictions with plastic bag taxes in place, retailers typically rely on the honor system for customers at self-checkout. Many self-checkout kiosks are equipped for customers to electronically indicate if and how many of their own reusable bags they have brought before they begin scanning items.

10. If I return an item and the plastic bag purchased with that item to the retailer, can I receive a refund on the plastic bag tax incurred at time of purchase?

- a. No, according to final guidelines published by the Virginia Department of Taxation. The tax is imposed on each disposable plastic bag provided to a customer rather than the items purchased by the customer, and refunds of the Disposable Plastic Bag Tax should not be allowed in situations where the customer returns the items purchased or the bag to the dealer.

11. How do I avoid the tax as a consumer?

- a. Consumers can invest in reusable shopping bags or choose not to bag their purchase to avoid the plastic bag tax. The bag tax also does not extend to paper bags, which can be requested as an alternative at most major retailers.

12. What about sanitary/COVID concerns?

- a. With the spread of the Delta variant, cashiers in certain retail locations are once again asking consumers to bag their own groceries if using reusable bags. At this time, we are not aware of any stores prohibiting the use of personal, reusable bags outright.

According to the CDC, the risk of transmission of the virus that causes COVID-19 through contact with contaminated surfaces or objects is generally low. A June 2020 study from the National Institute of Health finds that grocery bags, particularly paper or cloth bags, are likely minor vectors of COVID-19 compared to direct person-to-person contact, aerosolized human fluids, or the handling of contaminated surfaces.

To reduce any risks associated with the use of reusable bags, consumers can consider washing their bags between uses, and should practice frequent handwashing.

13. How can I care for my reusable bags?

- a. Most reusable bag brands can be washed, and in fact should be washed frequently to prevent the spread of germs. Please follow the manufacturer instructions included with your reusable bag.

14. What if I cannot afford a reusable bag?

- a. Reusable bags are a great investment. They generally cost between \$2 to \$5, (although some brands can be more expensive) and last for several years. However, if cost is a concern, we want to hear from you! Depending on need, one of the ways the revenue from the tax can be allocated is to provide reusable bags to recipients of SNAP and WIC benefits.

15. As a retailer, am I allowed to retain any of the tax to offset the cost of administration?

- a. Yes, between January 1, 2022 and January 1, 2023, affected retailers will be able to retain two cents for every five cents collected on each disposable bag. Effective January 1, 2023, this discount will decrease to one cent.

16. How will the tax be administered?

- a. 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 city at the end of each month.

17. As an affected retailer, when would I need to remit the plastic bag tax to the Virginia Department of Taxation?

- a. Affected retailers 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 retailer to the Virginia Department of Taxation on or before the 20th day of each month for the period ending the previous month.

With the ordinance going into effect on January 1, 2022, affected retailers in the City of Fredericksburg will need to file and pay the first month's plastic bag taxes on or before February 20, 2022, with filings and payments due monthly thereafter.

18. Why not ban plastic bags altogether?

- a. The Commonwealth of Virginia does not allow local governments to enact an outright ban on disposable bags.

19. Some grocery stores and retailers in Virginia currently accept plastic bags for recycling. Why do they do so? Are they required to accept them, or is it more of a public service?

- a. Typically, retailers that offer plastic bag recycling for their consumers do so to satisfy corporate environmental initiatives. Outside of their own corporate policies and initiatives, retailers are not required to collect plastic bags. In some cases there may be an added economic incentive for retailers to offer plastic bag recycling for consumers. By selling plastic bags collected at retail locations to large plastic recyclers, retailers may be able to turn a profit, or at the very least, recover some of the original costs of new plastic bags.

20. Are the plastic bags that are collected by grocery stores and retailers actually recycled or, if not, how are they disposed of?

- a. Many retailers are partnered with or sell collected bags to large plastic recyclers. These recyclers typically melt the bags down into pellets, which are then sold to manufacturers and used to make new products (in some cases, new plastic bags).

21. Are there ways to recycle or dispose of other “plastic film” bags or products, like dry cleaning bags and plastic bags provided for produce and other products/uses (e.g. to slide chicken and meat packages in, to avoid leakage)?

- a. Yes, but if you are relying on retailer-provided recycling drop-off locations, the acceptance of certain products varies by retailer. To check which materials are accepted by certain retailers, you should consult your local store or use an online search index.

You can also choose to collect plastic bags and other plastic products with third-party collection companies, such as *TerraCycle*. If you choose this option, costs would apply.

22. How do plastic bags compare to paper bags?

- a. The production and recycling of paper bags is much more water- and energy-intensive than their plastic bag counterparts: For each 1,500 bags produced, paper bags require 1,502 gallons of water while plastic bags require 58. Plastic bags require 71% less energy to produce than paper bags and use 36% less nonrenewable energy. Finally, paper bags require 1,444 BTUs to recycle while plastic bags require 17.

Despite being more water- and energy-intensive to produce and recycle, paper bags have some positive environmental attributes when compared to plastic bags. Paper bags are typically much more biodegradable than plastic bags and pose a much lower risk to marine life.

In terms of overall energy use, the friendliest bag option is a reusable shopping bag. Making the switch to a reusable bag saves about 53 MW of energy per year, as well as 7 liters of water.