



New Study on Bag Taxes: Economically Destructive, Job-killing

The 5-cent tax on every plastic or paper bag has cost the city jobs and revenue

WASHINGTON, Feb. 2, 2011 /PRNewswire-USNewswire/ -- The bag tax that Washington, D.C. residents have been paying for over a year will precipitate a significant decline in disposable income and will result in more than 100 lost jobs, according to a [new report](#) released today.

The [study](#), commissioned by D.C.-based Americans for Tax Reform (ATR) and conducted by the Boston-based Beacon Hill Institute (BHI), examines the economic fallout of the D.C. bag tax. The study found the year old tax will destroy more than 100 local jobs and reduce real disposable income in 2011 by \$5.64 million. This in turn will yield a loss of \$108,340 in sales tax revenue and will reduce investment in the District by \$602,000.

"We already knew that bag taxes are an annoying levy that provide no environmental benefit; now we also know that they are an economically destructive job killer thanks to this new report. Unfortunately it is also D.C.'s poorest communities that are hit hardest by the bag tax," said Grover Norquist, president of Americans for Tax Reform. **"Councilman Tommy Wells and other bag tax proponents seem to be unfamiliar with the law of unintended consequences. In D.C.'s case, the bag tax has siphoned millions from the productive economy and thrown it into the black hole that is the D.C. government bureaucracy."**

The D.C. bag tax passed in 2009 and requires residents and visitors to fork over 5-cents for every plastic and paper bag they received at grocery stores, convenient stores, and other retail stores in the District. Bag tax proponents claim that bag taxes and bans improve the environment, yet there is no evidence to indicate that bag taxes and bans provide any environmental benefit. Greenpeace marine biologist David Santillo recently remarked that no government is going to "solve the problem of waste by focusing on plastic bags."

Additionally, research has shown that reusable bags – whose use bag tax proponents seek to force – pose an ecological and health threat due to the high levels of lead and bacteria found in them.

"The bag tax is one of the more misguided taxes ever devised. In fact, Washingtonians actually have to buy more plastic bags because they no longer have a stockpile of shopping bags under their sink to reuse for lining trash cans, bringing lunch to work, and cleaning up after Fido," added Norquist. **"A well-funded lobbying campaign for job-killing bag taxes and bans continues in state capitols and city halls across the country. It is my hope that this study on D.C.'s experience will serve as a cautionary tale for taxpayers all across the country."**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at jkartch@atr.org.

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