

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 590 Session of 2011

INTRODUCED BY LEACH, KASUNIC AND FERLO, FEBRUARY 18, 2011

REFERRED TO FINANCE, FEBRUARY 18, 2011

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
 2 act relating to tax reform and State taxation by codifying
 3 and enumerating certain subjects of taxation and imposing
 4 taxes thereon; providing procedures for the payment,
 5 collection, administration and enforcement thereof; providing
 6 for tax credits in certain cases; conferring powers and
 7 imposing duties upon the Department of Revenue, certain
 8 employers, fiduciaries, individuals, persons, corporations
 9 and other entities; prescribing crimes, offenses and
 10 penalties," providing for a plastic bag tax.

11 The General Assembly of the Commonwealth of Pennsylvania
 12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
 14 the Tax Reform Code of 1971, is amended by adding an article to
 15 read:

16 ARTICLE II-B

17 PLASTIC BAG TAX

18 Section 201-B. Scope.

19 This article provides for a tax on the provision of plastic
 20 bags at the point of sale of consumer goods.

21 Section 202-B. Definitions.

22 The following words and phrases when used in this article

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 "Consumer good." A good that is sold at retail to a
4 purchaser for personal consumption or household use.

5 "Department." The Department of Revenue of the Commonwealth.

6 "Plastic bag." A bag or pouch of flexible packaging made of
7 thin, flexible, plastic film that is designed and intended to be
8 used for the carrying of goods purchased at a retail
9 establishment and that is provided to the consumer by the retail
10 establishment at the point of sale. The term does not include:

11 (1) A reusable bag or pouch specifically designed for
12 multiple use and that is made of cloth, fabric or durable
13 plastic of at least 2.25 mils.

14 (2) A bag or pouch to carry or bundle produce for
15 delivery to the point of sale at a retail establishment.

16 (3) A bag or pouch made of compostable material that
17 meets the ASTM D6400 standard for compostable plastic.

18 "Retail establishment." An establishment that sells or
19 offers to sell at retail consumer goods to the public and that
20 has gross sales of consumer goods in excess of \$1,000,000 during
21 the previous tax year.

22 Section 203-B. Imposition of tax.

23 There is hereby imposed on each plastic bag supplied by a
24 retail establishment to a purchaser of consumer goods at the
25 point of sale a tax of two cents.

26 Section 204-B. Collection and enforcement.

27 The tax imposed in this article shall be collected by the
28 department in the same manner as the sales and use tax imposed
29 under Article II, and the provisions of Article II for the
30 enforcement of the sales and use tax shall apply to the tax

1 imposed under this article.

2 Section 205-B. Deposit of tax proceeds.

3 The tax collected under this article shall be deposited into
4 a restricted account in the General Fund, which account shall be
5 used as follows:

6 (1) Fifty percent of the tax collected from a retail
7 establishment shall be paid as a grant to the retail
8 establishment, provided that the retail establishment enters
9 into an agreement with the department that the grant money
10 will be used for the improvement of recycling practices,
11 education and compliance with the provisions of this article
12 by the retail establishment.

13 (2) The balance of the account shall be used by the
14 Commonwealth for recycling programs authorized by law.

15 Section 206-B. Regulations.

16 The department shall promulgate regulations necessary to
17 administer this article.

18 Section 2. This act shall take effect in 60 days.