



Disposable Plastic Bag Tax Fund

The Disposable Plastic Bag Tax Fund is used to account for the revenues generated by the local disposable plastic bag tax. This five-cent tax on disposable plastic bags was established by the Board on January 18, 2022, and went into effect on July 1, 2022.¹ The tax applies to disposable plastic bags provided by a grocery store, convenience store, or drugstore, regardless of whether it was provided free of charge. The fund is managed by the Department of General Services.

Revenues, Expenditures, and Changes in Fund Balance²

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0
Revenues					
Other Local Taxes	\$0	\$0	\$275,000	\$275,000	\$275,000
Total – Revenues	\$0	\$0	\$275,000	\$275,000	\$275,000
Expenditures					
Operating & Maintenance	\$0	\$0	\$275,000	\$275,000	\$275,000
Total – Expenditures	\$0	\$0	\$275,000	\$275,000	\$275,000
Estimated Ending Fund Balance	\$0	\$0	\$0	\$0	\$0

Policies

Code of Virginia § 58.1-1745 authorizes counties and cities to impose a tax in the amount of five cents (\$0.05) for each disposable plastic bag provided, whether or not provided free of charge, to a consumer of tangible personal property by retailers in grocery stores, convenience stores, or drugstores. Pursuant to Code of Virginia § 58.1-1746, the tax does not apply to the following items:

- 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; or
- Multiple plastic bags sold in packages and intended for use as garbage, pet waste, or leaf removal bags.

The Virginia Department of Taxation is responsible for the administration, enforcement, and collection of the disposable plastic bag tax revenues on behalf of the County, disbursing monthly remittances to the County. Retailers are permitted to

¹ Sums may not equal due to rounding.



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retain a portion of the tax for the purposes of offsetting the cost of collecting, accounting for, and remitting the tax. Retailers may retain two cents of the tax through calendar year 2022 and one cent effective January 1, 2023.

Expenditures

In accordance with the Code of Virginia, revenues generated from the disposable plastic bag tax are restricted in use to the following specific uses:

- 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.

The Department of General Services is responsible for the expenditure of these funds and identified expenditures which align with the allowable uses described above. This includes the purchase of reusable bags for eligible recipients of the SNAP or WIC programs, enhanced litter reduction initiatives, enhanced education and outreach programs on waste reduction and recycling, and expansion of household hazardous waste and electronics recycling programs. Due to the nature of the revenues budgeted in the fund, existing programs are supplemented with revenues generated by the collection of the plastic bag tax to conform to the uses prescribed by the Virginia Code.