

Disposable Bag Tax for Businesses

in effect January 1, 2022

Starting January 1, 2022, **all retailers in Louisville**, as defined by Louisville Municipal Code, are required to charge a **\$0.25 tax per disposable bag (plastic, paper, and alternative material)** provided to a customer at point of sale.

Please review the reference sheet to ensure your store is in compliance and customers and employees understand how the Disposable Bag Tax works.

Preparation Checklist

- **Visit LouisvilleCO.gov/BagTaxforBusiness** to review the Disposable Bag Tax, the retailer toolkit, and the quarterly return instructions.
- **Adjust your registers and receipts.**
Track and charge for each disposable bag (includes plastic, paper, compostable and biodegradable) provided to a customer. The Disposable Bag Tax requires customer receipts to include the number of disposable bags provided and the total amount for each type of disposable bag.
- **Know who and what bags are exempt and train employees.**
Provide your cashiers with the cashier cheatsheet on the flip side of this flyer, which can also be printed at the Business Bag Tax webpage.
- **Post signs around the store to inform customers of the Disposable Bag Tax.**
Visit the Business Bag Tax webpage for printable signs or fill out the Retailer Material Request form for pre-made materials from the City.
- **Remit \$0.15 per bag to the City on a quarterly basis.**
Find remittance instructions and forms on the Business Bag Tax webpage.

Compliance Requirements

- Charge \$0.25 on each plastic, paper, and other disposable bag given to a customer unless the customer is a participant of a state or federal food assistance program.
- Display a sign in a location outside or inside of the business, viewable by customers, alerting customers to the City's disposable bag tax.
- Record the number of disposable bags provided and the total amount of disposable bag taxes charged on the customer transaction receipt, itemized by the type of bags provided.
- Remit \$0.15 of each bag charged to the City on a quarterly basis. See here for more information on remittance instructions. \$0.10 of each bag charged can be kept by the store to assist with compliance and other education/outreach.

A full business-specific FAQ can be found at:
LouisvilleCO.gov/BagTaxforBusiness

Email additional questions to
info@LouisvilleCO.gov

Louisville's Disposable Bag Tax

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1

Ask the Customer

"Did you bring bags with you today?"

If no, "Would you like to buy a bag/bags today? There is a 25 cent tax on each."

"Do you need disposable bags today? They are 25 cents each."

2

Charge the Tax

All customers are charged \$0.25 for **EVERY** disposable paper or plastic bag provided at checkout.

Participants in a federal or state food assistance program are exempt.

Are there bags I don't need to charge for?

- Bags provided to customers with proof of participation in a federal or state Food Assistance Program.
- Bags used inside the store to package bulk items; wrap frozen or fresh foods, flowers, or other items where dampness may be a problem; or contain prepared foods and bakery goods.

- Bags for prescription drugs.
- Newspaper bags, door-hanger bags, laundry-dry cleaning bags.
- A reusable bag provided by the retailer that is designed to withstand repeated use; made from a material that can be disinfected; a min. lifetime of 75 uses; and can carry a min. of 18 pounds.