

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 are 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.