

**MEMORANDUM**

TO: County Council

FROM:  Michael Faden, Senior Legislative Attorney

SUBJECT: **Introduction:** Bill 10-13, Taxation – Excise Tax – Disposable Carryout Bags - Scope

Bill 10-13, Taxation – Excise Tax – Disposable Carryout Bags - Scope, sponsored by Councilmembers Berliner, Floreen, and Rice, is scheduled to be introduced on April 23, 2013. A public hearing is tentatively scheduled for June 18 at 7:30 p.m.

Bill 10-13 would limit the excise tax on carryout bags, enacted in Bill 8-11, to those used at food stores. A food store is defined as any retail store where food consists of more than 2% of gross sales by dollar value. The tax would continue to cover bags used at food stores for non-food items. Bill 10-13 would also repeal the tax on plastic food take-out bags.

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Bill No. 10-13  
Concerning: Taxation - Excise Tax -  
Disposable Carryout Bags - Scope  
Revised: 4-16-13 Draft No. 3  
Introduced: April 23, 2013  
Expires: October 23, 2014  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Councilmembers Berliner, Floreen, and Rice

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**AN ACT** to:

- (1) modify the scope of the excise tax on certain disposable carryout bags; and
- (2) generally amend the law governing the excise tax on certain disposable carryout bags.

By amending

Montgomery County Code  
Chapter 52, Taxation  
Section 52-101

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*



## LEGISLATIVE REQUEST REPORT

Bill 10-13

*Taxation – Excise Tax – Disposable Carryout Bags - Scope*

<b>DESCRIPTION:</b>	Limits the excise tax on carryout bags to those used at food stores. Food store is defined as any retail store where food consists of more than 2% of gross sales by dollar value. The tax would continue to cover bags used at food stores for non-food items. Also repeals the tax on plastic food take-out bags.
<b>PROBLEM:</b>	Consumers find it inconvenient to carry reusable bags to non-food stores, such as department stores. Non-food bags make up small amounts of bag litter.
<b>GOALS AND OBJECTIVES:</b>	To focus the tax on disposable bags on those which create most of the litter problem.
<b>COORDINATION:</b>	Department of Environmental Protection, Department of Finance
<b>FISCAL IMPACT:</b>	To be requested.
<b>ECONOMIC IMPACT:</b>	To be requested.
<b>EVALUATION:</b>	To be requested.
<b>EXPERIENCE ELSEWHERE:</b>	To be researched.
<b>SOURCE OF INFORMATION:</b>	Michael Faden, Senior Legislative Attorney, 240-777-7905
<b>APPLICATION WITHIN MUNICIPALITIES:</b>	To be researched.
<b>PENALTIES:</b>	Class A for failure to remit tax by retailer.