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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1382 Session of  
2021

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INTRODUCED BY SIMS, McNEILL AND LEE, MAY 11, 2021

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REFERRED TO COMMITTEE ON FINANCE, MAY 11, 2021

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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 paper and plastic bag usage and for  
11 fee; and providing a penalty.

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

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

17 ARTICLE II-C

18 PAPER AND PLASTIC BAG USAGE

19 Section 201-C. Scope of article.

20 This article provides for a fee on the provision of paper  
21 bags and prohibits the use of plastic bags at the point of sale  
22 of consumer goods.

23 Section 202-C. Definitions.

1 The following words and phrases when used in this article  
2 shall have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4 "Consumer good." A good that is sold at retail in this  
5 Commonwealth to a purchaser for personal consumption or  
6 household use.

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

8 "Paper bag." A bag or pouch made of paper product that is  
9 designed and intended to be used for the carrying of goods  
10 purchased at a retail establishment and that is provided to the  
11 consumer by the retail establishment at the point of sale.

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

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

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

22 (3) A bag or pouch made of compostable material that  
23 meets the ASTM D6400-19 standard for compostable plastic.

24 "Retail establishment." An establishment that sells or  
25 offers to sell at retail consumer goods to the public.

26 Section 203-C. Imposition of fee.

27 (a) Imposition of fee.--There is imposed on each paper bag  
28 supplied by a retail establishment to a purchaser of consumer  
29 goods at the point of sale a fee of 15¢.

30 (b) Refund of fee.--The fee imposed under subsection (a)

1 shall be allocated according to the following percentages at the  
2 end of each fiscal year:

3 (1) One hundred percent of the fees imposed on a retail  
4 establishment shall be refunded if the annual revenue of the  
5 retail establishment is less than \$1,000,000.

6 (2) Fifty percent of the fees imposed on a retail  
7 establishment shall be refunded if the annual revenue of the  
8 retail establishment is between \$1,000,000 and \$10,000,000.

9 (3) No fees imposed on a retail establishment may be  
10 refunded if the annual revenue of the retail establishment is  
11 greater than \$10,000,000.

12 Section 204-C. Collection and enforcement.

13 The fee imposed under section 203-C shall be collected by the  
14 department in the same manner as the sales and use tax imposed  
15 under Article II, and the provisions of Article II for the  
16 enforcement of the sales and use tax shall apply to the fee  
17 imposed under section 203-C.

18 Section 205-C. Deposit of fee.

19 The fee collected under this article shall be deposited into  
20 the Hazardous Sites Cleanup Fund to be refunded according to  
21 section 203-C(b).

22 Section 206-C. Plastic bag prohibition and penalty.

23 No retail establishment in this Commonwealth may use or  
24 otherwise supply a plastic bag to package or accumulate consumer  
25 goods at the point of sale. A violation of this section shall  
26 result in a penalty of:

27 (1) \$50 for the first violation.

28 (2) \$100 for a second violation.

29 (3) \$200 for a third or subsequent violation.

30 Section 207-C. Regulations.

1       The department shall promulgate regulations necessary to  
2 administer this article.

3       Section 2. Any regulation inconsistent with this act is  
4 abrogated to the extent of any inconsistency with this act.

5       Section 3. This act shall take effect as follows:

6           (1) The addition of section 206-C of the act shall take  
7 effect upon the expiration of the prohibition under section  
8 1706-E(d) of the act of April 9, 1929 (P.L.343, No.176),  
9 known as The Fiscal Code.

10          (2) The remainder of this act shall take effect in 60  
11 days.