



Multiple Agency Ten-Year Analysis Summary

Bill Number 5323 E S SB PL	Title Plastic Bags
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This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	2020-29 TOTAL
Department of Revenue	0	3,800,000	3,700,000	3,700,000	3,600,000	3,600,000	3,600,000	3,500,000	3,500,000	3,400,000	32,400,000
Department of Ecology	0	0	0	0	0	0	0	0	0	0	0
Environmental and Land Use Hearings Office	0	0	0	0	0	0	0	0	0	0	0
Department of Natural Resources	0	0	0	0	0	0	0	0	0	0	0
Total	0	3,800,000	3,700,000	3,700,000	3,600,000	3,600,000	3,600,000	3,500,000	3,500,000	3,400,000	32,400,000



Ten-Year Analysis

Bill Number 5323 E S SB PL	Title Plastic Bags	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	2020-29 TOTAL
Retail Sales Tax	001		3,794,000	3,694,000	3,694,000	3,594,000	3,594,000	3,594,000	3,494,000	3,494,000	3,395,000	32,347,000
Retail Sales Tax	553		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	5,000	53,000
Total			3,800,000	3,700,000	3,700,000	3,600,000	3,600,000	3,600,000	3,500,000	3,500,000	3,400,000	32,400,000
Biennial Totals			3,800,000	7,400,000	7,200,000	7,100,000	6,900,000	32,400,000				

Narrative Explanation (Required for Indeterminate Cash Receipts)

Note: This fiscal note reflects language in SSB 5323 as passed in the 2020 Legislative Session.

This fiscal note only addresses those sections of the bill that impact the Department of Revenue (Department).

In order to reduce waste, litter, and marine pollution, conserve resources, and protect fish and wildlife, this bill:

- Prohibits the use of single-use plastic carryout bags.
- Requires a pass-through charge on certain paper carryout bags and other reusable bags.
- Requires the use of recycled content bags.
- Encourages retail establishments to supply and use reusable and recycled content paper carryout bags.

Retail establishments must collect a pass-through charge of eight cents for every recycled content paper carryout bag or reusable carryout bag made from film plastic that they provide. The pass-through charge is a taxable retail sale which must be shown on receipts provided to customers. The pass-through charge is not required to be collected:

- If as of January 1, 2019, local regulations allow retail establishments to provide restricted bags from existing inventory until one year after the effective date of the bill.



Ten-Year Analysis

Bill Number	Title	Agency
5323 E S SB PL	Plastic Bags	140 Department of Revenue

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

- From people who have a voucher or electronic benefits card issued under one of the following programs:
 - Women, infants, and children (WIC)
 - Temporary assistance for needy families (TANF)
 - Federal supplemental nutrition assistance program (SNAP, also known as basic food)
 - Washington state food assistance program (FAP)

This bill preempts local plastic bag ordinances, but allows localities to keep the fee at 10 cents.

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

The bill as passed by the legislature makes the following changes that effect the Department:

- Increases the amount of the pass-through charge for reusable film plastic bags from 8 cents to 12 cents, beginning January 1, 2026.
- Provides a business and occupation (B&O) tax deduction for the pass-through charges for reusable carryout bags and recycled content paper carryout bags provided by retail establishments
- Exempts the B&O tax deduction for pass-through charges from tax preference performance statement requirements and expiration dates.
- Amends the preemption provisions to provide that (1) carryout bag ordinances not enacted as of April 1, 2020, are preempted; (2) carryout bag ordinances enacted as of April 1, 2020, are preempted effective January 1, 2021; and (3) local governments that have established a pass-through charge of ten cents are not preempted with respect to the amount of the pass-through charge until January 1, 2026.

ASSUMPTIONS

- All Washington retailers will collect a pass-through charge of 8-cents per bag effective June 9, 2020.
- Fiscal Year 2021 reflects 12 months of cash collections due to the June 9, 2020, effective date.
- Washington residents use bags at the same per capita rate as consumers in the rest of the country.
- Washington residents in cities currently banning plastic bags use them at a rate of 40 percent of residents in cities without bans.
- An additional two percent of the Washington state population will reside in cities that currently ban plastic bags each year.
- The Washington population will grow at the same rate as projected by the Office of Financial Management.
- The United States population will grow at the same rate as projected by the U.S. Census Bureau.
- There will be no B&O tax impact due to the B&O tax deduction.
- The 12-cent per bag pass-through charge is beyond the scope of this fiscal note.

DATA SOURCES

- U.S. Census Bureau, National Population Projections Datasets, 2017



Ten-Year Analysis

Bill Number 5323 E S SB PL	Title Plastic Bags	Agency 140 Department of Revenue
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Narrative Explanation (Required for Indeterminate Cash Receipts)

- Washington State Office of Financial Management, State Population Forecast, November 2019
- BagLaws.com
- Municipal Research and Services Center, mrsc.org

REVENUE ESTIMATES

This bill increases state revenues by an estimated \$3.8 million in the 12 months of impacted collections in Fiscal Year 2021. This bill also increases local revenues by an estimated \$1.5 million in the 11 months of impacted distributions in Fiscal Year 2021, and by \$1.6 million in Fiscal Year 2022, the first full year of impacted distributions.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2020 -	\$ 0
FY 2021 -	\$ 3,800
FY 2022 -	\$ 3,700
FY 2023 -	\$ 3,700
FY 2024 -	\$ 3,600
FY 2025 -	\$ 3,600

Local Government, if applicable (cash basis, \$000):

FY 2020 -	\$ 0
FY 2021 -	\$ 1,500
FY 2022 -	\$ 1,600
FY 2023 -	\$ 1,600
FY 2024 -	\$ 1,600
FY 2025 -	\$ 1,600

Agency Preparation: Diana Tibbetts	Phone: 360-534-1520	Date: 5/20/2020 8:10:44 am
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 5/20/2020 8:10:44 am
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 5/20/2020 9:05:38 am



Ten-Year Analysis

Bill Number 5323 E S SB PL	Title Plastic Bags	Agency 461 Department of Ecology
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Agency Preparation: My-Hanh Mai	Phone: 360-407-6996	Date: 5/5/2020 2:38:02 pm
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 5/5/2020 2:38:02 pm
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 5/20/2020 9:05:38 am



Ten-Year Analysis

Bill Number 5323 E S SB PL	Title Plastic Bags	Agency 468 Environmental and Land Use Hearings Office
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Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											

Agency Preparation: Kay Brown	Phone: (360) 664-9160	Date: 5/7/2020 7:40:01 am
Agency Approval: Nina Carter	Phone: 360 664-9171	Date: 5/7/2020 7:40:01 am
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 5/20/2020 9:05:38 am



Ten-Year Analysis

Bill Number 5323 E S SB PL	Title Plastic Bags	Agency 490 Department of Natural Resources
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											

Agency Preparation: Nicole Dixon	Phone: 360-902-1155	Date: 5/6/2020 9:20:47 am
Agency Approval: Katrina Lassiter	Phone: 360-902-1081	Date: 5/6/2020 9:20:47 am
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 5/20/2020 9:05:38 am