

5.01. Checkout Bag Surcharge.

5.01.01 Authority.

These rules and regulations are promulgated by the Department of Finance pursuant to Baltimore City Code Article 28, Subtitle 32.

5.01.02. Definitions.

In this chapter, the following terms have the meanings indicated.

- A. "Bag Surcharge" means the \$0.01 of the \$0.05 collected by a Retailer and remitted to the City for each bag provided to customers pursuant to Baltimore City Code Article 28, § 32-4.
- B. "Checkout Bag" has the meaning stated in Article 28 § 32-1, Baltimore City Code.
- C. "Plastic Checkout Bag" has the meaning stated in Article 7 §62-1, Baltimore City Code.
- D. "Retailer" has the meaning of "Dealer" stated in Article 7 §62-1, Baltimore City Code.

5.01.03. Plastic Checkout Bags Prohibited.

- A. Retailers are prohibited from supplying customers with Plastic Checkout Bag(s) at any point of sale, pickup, or delivery to carry or hold purchased items.
- B. Only paper or compostable bag(s) may be provided by a Retailer to customers in the City of Baltimore.

5.01.04. Exceptions.

This regulation does not apply to:

- (A) Checkout Bags that meet the definition of "Plastic checkout bag" in Baltimore City Code Article 7, §62-1; and
- (B) Checkout Bags provided to customers solely for the purpose of carrying purchases of the following:
 - (1) Fresh and derivative fish;
 - (2) Meat and poultry products;
 - (3) Unpackaged fruits, nuts, vegetables, confectionery, fresh cheese, and baked goods;
 - (4) Ice;
 - (5) Foods and goods obtained at a farmers' market;
 - (6) Prescription drugs obtained from a pharmacy;
 - (7) Newspapers; and
 - (8) Dry-cleaned goods.

5.01.05. Registration.

- A. To comply with the requirements of this regulation, a Retailer must register online at Cityservices.baltimorecity.gov/bagtax.
- B. Only one user ID and password shall be allowed per account.
- C. Frequently asked questions and answers are available at www.baltimoresustainability.org.

5.01.06. Taxpayer Identification Number.

- A. A Retailer must apply to the Baltimore Finance Department for a taxpayer identification (ID) number.
- B. The provided ID shall uniquely identify each eligible Retailer location.
- C. Chain Retailers must request individual tax ID per location.

5.01.07. Reporting in General.

- A. A Retailer must provide the Baltimore City Director of Finance a monthly, detailed report of all bags provided to customers by location.
- B. The report must be filed online at Cityservices.baltimorecity.gov/bagtax.

5.01.08. User Fee for Checkout Bag.

For the use of a Checkout Bag, a Retailer must charge a user fee of \$0.05, pursuant to Baltimore City Code Article 28, Subtitle 32.

5.01.09. Payments Generally.

- A. A Retailer must remit monthly the total amount yielded by the Bag Surcharge to the Baltimore City Director of Finance.
- B. A Retailer must remit the total amount yielded by the Bag Surcharge by location.
- C. The Bag Surcharge is due on or before the 25th day of the month following the month of collection.
- D. Payments must be made online at Cityservices.baltimorecity.gov/bagtax.

5.01.10. Calculation of Monthly Payments and Reporting Requirements.

- A. The minimum number of Checkout Bags provided to customers triggering the Surcharge is 300.
- B. No tax is due for any month in which fewer than 300 Checkout Bags are provided customers.
- C. A Retailer should report "0" bags for any month in which fewer than 300 Checkout Bags are provided to customers.
- D. Notwithstanding subsection C of this section, when the 300-bag minimum is not reached in any given month, a Retailer must aggregate the number of bags provided to customers over multiple consecutive months.

E. When the total aggregate of bags provided customers reaches 300 pursuant to subsection D of this section, a Retailer is required to file a report with the City for that month and remit the appropriate Surcharge.

F. No partial payments will be accepted.

G. If a vendor reports selling more than 300 bags in a period, the accepted payment would be for the total number of bags reported. If no payment is made, penalties will be assessed.

5.01.11. Receipt Itemization.

Pursuant to Baltimore City Code Article 28, §32-4, each receipt provided a customer by a Retailer must itemize and show the amount of the surcharge, if any, applied to the customer's bill.

5.01.12. Record Keeping.

A. A Retailer must keep complete and accurate records of all transactions involving exempt and non-exempt Checkout Bags and provide documents that support the organization's general accounting system.

B. The records must be available for inspection and audit by the City during all business hours.

5.01.13. Penalties.

A Retailer who fails to comply with the provisions of the Baltimore City Code, Article 28, Subtitle 32 and this regulation will be penalized in accordance with §32-6 of Article 28.

5.01.14. State Sales and Use Tax

The \$0.01 Bag Surcharge collected by a Retailer and remitted to the City for each bag provided to customers pursuant to Baltimore City Code Article 28, § 32-4 cannot be included in the calculation of the Maryland Sales and Use Tax pursuant to the Tax-General Title § 11-102 of the Annotated Code of Maryland.