



## Colorado Carryout Bag Fee

In 2021, the Colorado General Assembly enacted [House Bill 21-1162](#) the "Plastic Pollution Reduction Act" to mitigate the harmful effects of single use plastic carryout bags.

Beginning January 1, 2023, the act places restrictions on stores and retail food establishments from providing single-use plastic carryout bags to customers. Certain retail food establishments, and small stores that operate solely in Colorado and have 3 or fewer locations, may provide single-use plastic carryout bags.

Please review the full text of [HB21-1162](#) for a complete discussion of the requirements, restrictions, and penalties imposed under the act.

## Carryout Bag Fee FAQs

### 1. What is a carryout bag?

A carryout bag is a bag provided to a customer at a store or retail food establishment at the point of sale. The bag is used by the customer to carry purchased items.

### 2. What is the definition of a store?

A "store" does not include a "small store":

*"SMALL STORE" MEANS A STORE THAT OPERATES SOLELY IN COLORADO, HAS THREE OR FEWER LOCATIONS IN THE STATE, AND IS NOT PART OF A FRANCHISE, CORPORATION, OR PARTNERSHIP THAT HAS PHYSICAL LOCATIONS OUTSIDE OF COLORADO.*

*"STORE" MEANS, EXCEPT AS PROVIDED IN SUBSECTION (14)(c) OF THIS SECTION, A GROCERY STORE, SUPERMARKET, CONVENIENCE STORE, LIQUOR STORE, DRY CLEANER, PHARMACY, DRUG STORE, CLOTHING STORE, OR OTHER TYPE OF RETAIL ESTABLISHMENT AT WHICH CARRYOUT BAGS ARE TRADITIONALLY PROVIDED TO CUSTOMERS.*

*"STORE" INCLUDES A FARMERS' MARKET, ROADSIDE MARKET OR STAND, FESTIVAL, OR OTHER TEMPORARY VENDOR OR EVENT THAT INCLUDES TEMPORARY VENDORS.*

### 3. How much is the carryout bag fee?

The bag fee is \$0.10 (10 cents) for each carryout bag provided to the customer in the Town of Snowmass Village. The customer will pay the fee to the business.

### 4. Does this fee apply to paper and plastic carryout bags?

Yes, the fee applies to both paper and plastic carryout bags. On January 1, 2024, stores and retail food establishments will be prohibited from providing any plastic bags to customers. They may only provide recycled paper carryout bags at a fee of 10 cents per bag.



**5. Does the bag fee apply to bags used for produce?**

No, this fee does not apply to some bags such small hardware items, greeting cards, produce, meat, or fish.

**6. Is the carryout bag fee voluntary?**

No, this fee is required by law.

**7. How long can I use the current inventory of plastic bags on hand?**

You may use your current inventory until December 31, 2023. Starting January 1, 2024, plastic bags are banned in the State of Colorado.

**8. Is the carryout bag fee taxable for sales tax purposes?**

The carryout bag fee is NOT exempt from our sales tax. This fee will be taxed at the 3.5%.

**9. When do I need to start collecting the carryout bag fee?**

The bag fee should have been collected starting January 1, 2023. The Town will have the form set up in MUNIREvs for remittal quarterly starting for the 3<sup>rd</sup> quarter 2023. On your October bag fee remittal form you will remit for the 3<sup>rd</sup> quarter of 2023 (July-September). If you have already been collecting this bag fee you may keep the fee you collected from January-June to use for recycling or purchase of recycled bags. This fee will be due quarterly to the Town and must be paid in MUNIREvs. This form will show up in your tasks the same as the sales tax form does.

**10. How much do I need to remit to the Town of Snowmass Village?**

60% of the carryout bag fee revenue will be remitted to the Town and you will retain the remaining 40% of the carryout bag fee revenue. The Town will receive 6 cents of every 10 cents carryout bag fee collected and the business will receive 4 cents of every 10 cents carryout bag fee collected.

**11. How will I remit the carryout bag fee to the Town of Snowmass Village?**

Before the first filing due date on October 20, 2023, you will log into your existing MUNIREvs account.

Steps:

- When you log into your account you will see a pending task for the carryout bag fee form.
- You will complete the form similar to how you complete your sales tax form by adding to the form the amount of revenue you collected for the carryout bag fee.
- The form will calculate for you the 60% that is due to the town.
- If you pay the fee late the penalty and interest that is due will automatically be added to the form.



- You will hit submit once you have completed the form and add the payment to your cart and check out.
- If you have any questions about filling, you can always contact the Finance department at 970-923-3796.

## **12. When will the carryout bag fee be due?**

The carryout bag fees will be due quarterly on the 20<sup>th</sup> of the month following the reporting period. This must be filed and paid in MUNIREvs. The first filing deadline for the Town of Snowmass Village is October 20<sup>th</sup> for fees collected from July 1-September 30, 2023.

## **13. Which businesses must file this fee to the Town?**

The carryout bag fee will apply to any retailer or food establishment:

- That has 3 or more locations in the State of Colorado or is part of a franchise, corporation, or partnership that has a physical store location outside of the State of Colorado.

Exemptions:

- The carryout bag fee does not apply to customers who can show proof that they participate in a federal or state food assistance program. Food service and restaurant establishments are exempt regardless of the number of locations or ownership structure. *Grocery stores and convenience stores are not included in this exemption.*
- The act also does not apply to materials used in the packaging of pharmaceutical drugs, medical devices, dietary supplements or any equipment or materials used to manufacture pharmaceutical drugs, medical devices, or dietary supplements.

## **14. If I have no fees to remit do, I still need to file a zero return?**

Yes, a zero form must be filed even if you have nothing to remit. If your business no longer provides carryout bags as defined under #1, please contact the Finance Department at 970-923-3796 and we can remove this task from your account.

## **15. What if I file my return late or do not file?**

You will incur the same penalties and interest that apply to late sales tax filing.

0.10 x Bag Fee for Penalty and for Interest 0.005 X number of months late X bag fee.

## **16. How should the business notify the customer of the carryout bag fee?**

The store shall conspicuously display a sign in a location inside or outside the business which alerts customers about the carryout bag fee.



**17. Can a store pay the bag fee for the customer?**

No.

**18. How does a customer avoid paying the carryout bag fee?**

The customer can bring their own reusable bag to avoid paying the carryout bag fee.