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New Chicago tax leaves shoppers holding the bag

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The classic checkout question — paper or plastic — will soon pose a new dilemma for cost-conscious Chicago shoppers, who face a new tax on either choice.

Beginning Jan. 1, a checkout tax of 7 cents per bag will be added at all Chicago retailers — from massive chain stores to mom-and-pops — in the city's latest bid to curb disposable bag use.

Chicago is following the lead of several other cities in adopting the checkout tax, which has shown promise in reducing consumers' appetite for the formerly free store-supplied bags. Americans use more than 100 billion disposable plastic bags each year. Most end up in landfills, with some invariably littering the landscape in highly visible ways.

While the city and retailers gear up to administer the new tax, consumers need to get ready to bring their own bags or foot the bill. Either way, experts expect disposable bag use will drop significantly come January.

"The disposable bag taxes are incredibly effective," said Tatiana Homonoff, an assistant professor of economics and public service at New York University. "It's a low economic burden, but a big environmental and behavioral shift."

A similar tax in suburban Washington, D.C., cut the likelihood of a customer using a disposable bag in half within the first two months, Homonoff said.

Under the new tax, unanimously approved this month, the city will keep 5 cents per bag, while the retailer will keep 2 cents — essentially the cost of a plastic bag. The charge will show up on store receipts, right next to other municipal sales tax items such as the Chicago bottled water tax.

The tax does not apply to restaurants and families in the federal Supplemental Nutrition Assistance Program, often called food stamps.

The city projects the tax on disposable bags will generate \$12.9 million in revenue next year — \$3.7 million for retailers and \$9.2 million for Chicago, which will flow into the operating budget. The long-term goal is not to create revenue, but to reduce the number of bags that end up in landfills, blow down the street and dangle from tree limbs, said Molly Poppe, Office of Budget and Management spokeswoman.

That is a goal shared by Jordan Parker, founder of Bring Your Bag Chicago, a grass-roots environmental group.

"The less successful the tax is, the better it is for the environment," Parker said. "If everybody in the city started using reusable bags, it wouldn't generate a lot of revenue through this tax."

Some experts are skeptical, however, that the fee is big enough to prompt a long-term change in behavior after shoppers get over the initial sticker shock.

John Halstead, professor of environmental and resource economics at the University of New Hampshire, said bag use has rebounded in the second year of such taxes in other municipalities, as convenience wins out and consumers rationalize a pennies-per-bag charge in the face of a \$100 grocery bill.

"Basically there was one year of decreased bag usage and then people just opted to pay the fee," Halstead said.

The checkout tax replaces Chicago's 1-year-old plastic bag ordinance, which carried fines for stores that did not provide reusable, recyclable or compostable plastic bags. That ordinance, which had yet to fully roll out, proved less effective than hoped, according to Poppe.

Retailers have the option of eating the new tax or passing it along to customers.

"We'll have to collect the fee that the city is imposing, because we want to continue to offer bags to our customers," said Phil Caruso, a spokesman for Deerfield-based Walgreens, one of the nation's largest drugstore chains.

Walgreens, which switched to thicker, reusable plastic bags at its Chicago stores last year to comply with the plastic bag ordinance, will revert to the thinner bags next year, Caruso said.

Chicago's largest grocery chain, Jewel-Osco, also plans to pass along the tax at its city stores, according to spokeswoman Mary Frances Trucco.

At Harvestime Foods, an independent grocery store in Lincoln Square, owner Chris Dallas expects to hear some complaints from customers about the tax.

"Initially I think people will be shocked and surprised," said Dallas, who also owns Edgewater Produce in the Andersonville neighborhood. "In my neighborhood we're dealing with a lot of people who may not be tuned in to what the city politicians are doing. And they are going to come into the store and get the end result and will basically take it out on me."

Outside the store on a recent afternoon, Lincoln Square resident Mark Jak said he was opposed to the city's "nickel-and-dime" approach to taxation

"Just do a property tax increase," said Jak, holding several plastic grocery bags outside Harvestime. "Quit taxing us on plastic bags, on soda, on water bills. Just lump it up in one area rather than spreading it out."

Jefferson Park resident Nancy Luna doesn't think the tax is high enough. "It should be higher," she said, while standing outside a Target store. "It's causing a lot of damage to the environment."

Fellow Jefferson Park resident Jeannie Strong agreed, saying the tax might help her remember her stockpile of reusable bags. "It's incentive," she said. "If I knew I was being charged, I'd put more effort to pack them in the car and make sure I have them."

Before the August 2015 ban, an estimated 900 million disposable bags were used in Chicago each year — 90 percent of which were plastic, officials said.

The city hopes to reduce usage by 50 percent through the tax, on par with results from the Washington area. Other cities that have implemented bag taxes include San Francisco and Los Angeles, with New York and Minneapolis adding a tax next year.

Revenue projections account for a significant number of bags slipping through the tax cracks in Chicago next year, Poppe said, as retailers and shoppers alike adjust to the new paradigm.

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Ban the Bag? Why Plastic Bag Taxes and Bans Don't Always Work

BY LUCY BAYLY
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Single-use plastic bags may soon be banned in the state of Massachusetts. As part of its budget debate, the state Senate approved a provision to ban the bag at all retail stores that are larger than 3,000 square feet or have at least three locations in the state. Although stores would still offer bags for customer use, the new bags must be "reusable" or made of recycled paper. Additionally, shoppers opting for those bags would be slapped with a 10-cent per-bag fee (plus taxes).

Massachusetts is the latest state to be swept up in the fervor of bag-banning in an effort to reduce the environmental impact of the sacks used at checkouts across America. But are the laws having an effect on the use of the bags that still seem to be, well, everywhere?

Earlier this month, New York City passed a controversial ordinance that imposes a five-cent fee on paper and plastic bags. The law, which will be signed by Mayor Bill de Blasio later this year, will go into effect October 1.

"For too long, plastic bags have clogged our storm drains, littered our green spaces, and tangled in our trees," said New York City Council Speaker Melissa Mark-Viverito, a key supporter of the New York City legislation, in a statement to NBC News after the city council voted to charge a nickel for single-use paper or plastic bags.

San Francisco was the first American city to pass a law banning single-use plastic bags, in 2007. Since then, more than 200 municipalities have implemented similar rules, with 20 million Americans currently living with some form of disposable bag law.

But the success of this kind of legislation is something of a mixed bag in and of itself.

"Don't they realize these consumers are going to have to go out and buy plastic bags?" John Hurst, president of the Retailers Association of Massachusetts, told the State House News Service after the ballots were cast on Thursday.

Detractors say that banning plastic bags simply shifts the issue elsewhere, and that adding a "plastic bag tax" ends up making grocery shopping even more unaffordable for poorer residents. SNAP and WIC recipients are not exempt from the tax, and "Ten cents a bag adds up quickly for families below the poverty

line," said the Baptist Ministers of Greater New York in a statement opposing New York City's bag tax.

When local officials in the city of Austin, Texas, enacted a 2013 ban to rid the city of lightweight plastic bags, the result was that residents ended up using heavier-grade plastic bags, which are less biodegradable. Turns out that Austin's residents were buying (and discarding) trash can liners now that they weren't getting plastic bags for free.

In January 2015, after Dallas implemented a five-cent fee on plastic bags, plastic bag manufacturers banded together to sue the city, citing Texas state law that does not allow taxes on any form of container.

Lee Califf, executive director of the American Progressive Bag Alliance, [said the new ordinance would also have](#) "very real economic consequences for Dallas consumers and workers" and "threaten the livelihoods of the 4,500 Texans who work in the plastic bag manufacturing and recycling industry."

Five short months after the ordinance went into effect, it was repealed. "We are in a lawsuit and I don't think it's one we can win," city council member Adam Medrano [told the Dallas Morning News](#).

In Chicago, an attempt to ban single-use bags from chain stores has ended up confusing consumers and businesses alike — as well as the very politicians pushing the plan.

The ban, which goes into effect August 1, says stores must replace free single-use plastic bags with reusable plastic bags that are able to "carry at least 22 pounds over a distance of at least 175 feet 125 times." Further muddling the issue, some retailers will charge for the bags, and some will not.

The single-use polyethylene bag dates back to 1962, but was only widely adopted in America in the early 1980s, when supermarket chains Safeway and Kroger switched from paper to plastic. That move caused an outcry at the time, as shoppers who were used to stacking paper bags neatly in rows in the back of their car grumbled about the slouchy plastic bags.

Gradually, plastic bags became the norm. Over one trillion plastic bags are used every year — or two million every minute — with 90 percent of those discarded after one use. And each bag can take up to 500 years to degrade.

But starting in the late 1990s, the environmental impact of these flyaway bags could no longer be ignored, as the plastic filled the trees, littered city streets and beaches, and even created an entire continent — the Great Pacific Garbage Patch, a floating island of plastics trash that has been estimated to span almost eight million square miles, or twice the size of the United States.

"Disposable plastic bags are a marine debris menace of many faces," said Ania Budziak, associate director of programs at [Project AWARE](#), a non-profit ocean protection organization. "Turtles and other animals eat them mistaking them for food," she said.

In addition to their environmental impact, plastic bags cost American businesses up to \$4 billion every year.

"Disposable bags cost retailers a lot of money, and with their narrow profit margins and stiff competition it can be challenging for [stores] to act on their own, voluntarily," said Julie Lawson of [Trash Free Maryland](#), a grassroots organization committed to reducing pollution in Maryland, where plastic bags comprise almost half the litter in that state's waterways.

"The average plastic bag gets used for 12 minutes," Lawson said. "It makes a lot of sense to use a reusable one."

Some cities have seen a positive outcome after implementing bag boycotts. A 2009 bag tax in Washington, D.C., has so far resulted in a 50 percent decrease in single bag usage. In Los Angeles, the average grocery store went from using 2.2 million bags a year to using 125,000 a year, after the 10 cents-per-bag ordinance went into effect in 2011.

And in those places where no laws or bans are in place (yet), store owners are free to implement their own code of conduct.

"In 15 years of being in business I've never purchased plastic grocery bags," said Laurie Spaeth of Pepacton Natural Foods, a natural and organic grocery store in New York's Catskill Mountains.

"People bring me bags of bags, and we send packaged groceries back out the door in them. Sometimes I can tell that they've gone out and come back to us several times, until they're well and truly shot. They're still plastic, still ultimately have to be landfilled, but we use them until they're beyond use."