

MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Excise Tax: Disposable Carryout Bags	Number 18-12
Originating Department Department of Finance	Effective Date October 16, 2012

Montgomery County Regulation on:

EXCISE TAX ON DISPOSABLE CARRYOUT BAGS

DEPARTMENT OF FINANCE

Issued by: County Executive
Regulation No. 18-12

Authority: Montgomery County Code Section 52-101 through 52-107
Council Review: Method (2) under Code Section 2A-15
Register Vol. 29, Issue 8

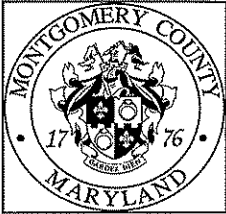
Comment Deadline: August 31, 2012
Effective Date:
Sunset Date: None

SUMMARY: This regulation establishes the procedure to administer the new excise tax on disposable carryout bags, and ensures that the appropriate tax is remitted and tax reports are filed by retail establishments in a manner established by the County.

ADDRESS: Written comments on this regulation should be sent to:

Robert Hagedoorn, Chief
Division of Treasury
Department of Finance
255 Rockville Pike, suite L-15
Rockville, MD 20850

STAFF CONTACT: For further information or to obtain a copy of this regulation, please contact Beverly Hunton at (240) 777-8937



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Sec. 1. Regulation

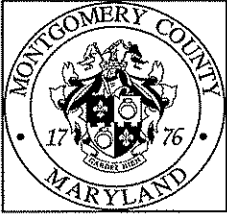
Section I: General Provisions

- A. Authority. In accordance with the authority conferred under Chapter 52, Article XIV, and Section 2A-15 of the Montgomery County Code, 2004, the County Executive hereby promulgates this regulation to implement the tax remittance and tax report filing for the excise tax on disposable carryout bags in Montgomery County, Maryland.
- B. Applicability. This excise tax is levied on disposable carryout bags provided by a retail establishment to a customer at the point of sale, pickup, or delivery to carry purchased items. The law provides certain exemptions from this excise tax.

Section II. Definitions

The definitions of terms used in this regulation are set out in Chapter 52, Section 52-101., of the County Code. For purposes of this regulation, the following words and phrases have the following meanings unless the context clearly indicated otherwise:

- A. Tax imposed – means a tax in the amount of 5 cents that is levied and imposed on each customer for each carryout bag that a retail establishment provides to the customer.
- B. Administrative expense – means the 1 cent from each 5-cents of tax collected that the retail establishment retains to cover the administrative expense of collecting and remitting the tax to the County.
- C. Tax Remittance – means paying to the County the full amount of the tax collected for all carryout bags provided to a customer during the previous month or reporting period, less the administrative expense.
- D. Tax report filing – means using the dedicated internet website to report the number of carryout bags subject to the tax that were supplied or provided during the reporting period.
- E. Method of remittance – means using the available method(s) of payment on the dedicated internet website to remit the collected tax to the County.
- F. Dedicated internet website – means an internet-based application developed or used by Montgomery County exclusively for the purpose of providing a secure, low-cost and efficient method to file carryout bag tax reports and to remit carryout bag taxes to the County.



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Section III. Obligation to File Tax Report and Remit Tax

- A. A retail establishment must use the County’s dedicated internet website to register with the County and to obtain a unique ID number, and the appropriate tax report filing and tax remittance information.
- B. A retail establishment must file a tax report and remit the taxes collected when the cumulative taxes collected since the previous remittance, if any, exceed \$100.00 (representing 2,500 bags).
- C. A retail establishment must use the County’s dedicated internet website to file a tax report and pay the tax on or before the 25th day of each month, pertaining to carryout bag taxes collected in the prior month or reporting period in accordance with Section 52-103(c) of the County Code.
- D. A retail establishment must use the County’s dedicated internet website to remit the full amount of the tax collected for the reporting period and must use the available method(s) of payment identified on the website.

Sec. 2. Severability


If a court holds that a portion of this regulation is invalid, the other portions remain in effect.

Sec. 3. Effective Date

This regulation takes effect upon approval by the County Council.


 Isiah Leggett,
 County Executive

Approved as to Form and Legality
Office of the County Attorney

By: 
 Date: 9-5-2012