

Carryout Bag Fee Guide

Due to the passage of [House Bill 21-1162](#), the Colorado Plastic Pollution Reduction Act (PPRA), HB21-1162, beginning on January 1, 2023, “Large Stores” across Colorado are required to charge customers a \$0.10 fee for every paper and/or plastic carryout bag they receive during check-out. The bill is focused on large sized stores with more than three locations and/or that are part of a franchise, corporation, or partnership with a physical location outside of Colorado. A portion of the fee, \$0.06/ bag, must be remitted to the City of Grand Junction and the remainder is kept by the store. Any amount above \$0.10 that is collected for a bag is considered taxable income.

Under this law, beginning next year on January 1, 2024, “Large Stores” are not allowed to purchase plastic carryout bags, but may still charge the \$0.10 fee for plastic bags purchased prior to that date. They may also still provide recycled paper carryout bags for the \$0.10 fee. On June 1, 2024, all plastic carryout bags will be banned in large stores.

Fees collected must be remitted to the City of Grand Junction on a quarterly basis, based on the total amount collected in the previous quarter. The first remittance payment must account for all fees collected starting January 1, 2023. After April 2023, remittance must occur regularly on a quarterly basis. Although the bill states that remittance should begin in April 2024, the city has adopted [Ordinance 5118](#) that requires remittance starting April 1, 2023 for collections beginning January 1, 2023.

Responsibilities of Retailers:

- Stores must provide on each customer’s transaction receipt a record of the number of carryout bags provided as part of the transaction and the total amount of fees charged for the carryout bags, itemized by type of bag (recycled paper or plastic).
- Stores must display signage in conspicuous locations notifying customers of this fee. The City of Grand Junction has developed a [sign](#) for businesses to use.
- Stores may not engage in practices to subvert the law including, but not limited to, providing refunds to customers to offset the bag fee in any way or failing to charge customers for each bag they use (including through self-check-out).
- All paper carryout bags must be 100% recycled material or postconsumer content. A store may provide bags that do not meet this criterion if the bags are in the store’s inventory prior to January 1, 2023.
- Stores must keep an accurate record of the total amount of fees collected and remit 60% of the total amount to the City of Grand Junction. In order to streamline the payment process, Grand Junction is working to set up collections online.
- Stores may retain 40% of the total fees collected, and these funds do not count as revenue for the purpose of calculating and charging sales tax to the customer.

The City's sales tax portal is the platform used to remit bag fees; no paper forms will be made available. A bag fee account has been added to your license which requires a quarterly filing until the expiration of the House Bill. If a bag fee account type does not appear on your license, the type can be manually added via your portal under "More..." tab, "Add a Bag Account" within the Business License cube. If you feel a bag fee account was added in error, please contact our office via the portal explaining your exemption. If your company has not gained access to the new portal to allow for filing, please reach out to the sales tax department by emailing gjsalestax@gjcity.org.

City staff are available to help with navigating the new law and to answer any questions. For additional information about remittance, please contact City of Grand Junction staff by emailing gjsalestax@gjcity.org or calling (970) 244-1521. For general questions about the law, please contact the Sustainability Coordinator jennifern@gjcity.org or calling (970) 256-4059.