

OPPOSE HB 1645

Topic: Litter tax; penalty for failure to timely pay.

Bill Patron: Delegate Tim Anderson

Overview:

Reduces the penalty for failure to timely pay the litter tax to \$10. Currently, the penalty is \$100 plus an amount equal to the taxes due, including all delinquent taxes, and the amount that the Department of Taxation expended in collecting such delinquent taxes.

Reasons to oppose:

- The easiest way to avoid the penalty is to pay the litter tax (\$20 or \$30 depending on the type of business) on time to support valuable programs across the Commonwealth.
- Virginia's litter tax is, per capita, the lowest litter tax rate in the nation. Even at this low rate, funds collected through the tax are crucial to sustaining litter-abatement efforts statewide.
- In FY2021, the Litter Control and Recycling Fund distributed \$1,708,156 in grant funds to 305 localities that were matched at a rate of 1,138% with \$19,437,533 from local governments through a combination of cash and non-monetary services.
- Virginia spends millions of dollars a year cleaning up litter pollution on the tax-payers' dime. VDOT estimates that it spends \$3.5 million a year picking up litter on roadways.
- The Virginia Marine Debris Reduction Plan recognizes the need to secure adequate funding to support grants to local governments, nonprofits and others for infrastructure improvements, behavior-change campaign development and coordination to reduce litter and marine debris.
- Reducing the penalty for late payments sends the message that Virginia isn't serious about litter and would in effect negate the 2020 bill that encouraged businesses to pay their litter tax. The 2020 effort illustrated the seriousness with which the state would address the litter challenge, and this reversal, before the impact of the increased penalty could even be adequately measured, would be a mistake with significant consequences.



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