

What if a supplier offers a retailer “Levy Free bags”?

Bags not exceeding 225 mm in width (exclusive of any gussets), by 345mm in depth (inclusive of any gussets), by 450 mm in length, (inclusive of any handles) have been marketed as “Levy Free Bags”.

The regulations, however, do not provide for “Levy Free Bags”. The Plastic Bag Levy applies on all plastic bags, even if marketed as “Levy Free Bags”, when used in circumstances not exempted by the regulations.

How will a customer know that the levy has been imposed on plastic bags supplied to him/her?

The retailer is obliged to pass on the levy to the customer and the levy has to be itemised on any invoice, receipt or docket issued to the customer.

Who does the retailer pay the levy to?

The levy is paid to the Revenue Commissioners who are responsible for collecting the levy.

Is there to be a return form for Retailers?

Yes. Revenue issues a return form to each retailer identified by Revenue as likely to have a liability.

If a retailer receives a return form from Revenue but has no liability to the levy, what should he/she do?

The retailer should make a ‘nil’ return to Revenue using the return form. If the retailer never supplies plastic bags to customers he/she should advise Revenue accordingly so that the need to complete future returns can be avoided.

When is the return and payment due?

The return and payment will be due on the 19th day of the month following the end of an accounting period. The first accounting period began on the fourth day of March 2002 and ended on the last day of June 2002. Thereafter each accounting period is a period of three months beginning on the first day of July, October, January or April i.e calendar quarter.

How is the levy paid:

The retailer sends the completed return form declaring the amount due to Revenue. On the return, the retailer indicates his/her bank account details on the next relevant return.

Can the retailer pay by cheque or cash?

The method of payment (electronic debiting of retailer’s bank account) is specifically provided for in the legislation in relation to the levy. This method of payment is cheaper and more efficient than paying by cheque. Government and banking policy is to move towards electronic banking and away from cheque payments.

Can the return for the levy be made through the Revenue On-Line System?

Yes. The ROS home-page may be accessed at www.ros.ie or via the Revenue website www.revenue.ie

What happens if a return is not made?

Revenue can estimate the amount of levy payable for the period if no return is received. Notice of the amount estimated is then served on the retailer and this amount can then serve as the basis for enforcement action. This approach is the same as that currently applied in relation to tax liabilities (e.g. VAT).

What happens if the levy is underpaid?

If Revenue have reason to believe that the levy is underpaid they can estimate the total amount of levy that in their opinion should have been paid for any accounting period or periods. Notice of the amount estimated is then served on the retailer and this amount can then serve as the basis for enforcement action. Again, this approach is the same as that currently applied in relation to tax liabilities.

Can these estimates be appealed?

Yes. Provision exists for appealing the estimates to the Appeal Commissioners.

What happens if the levy is not paid?

In fairness to those persons who meet their obligations, Revenue will ensure that early and effective action is taken against those who have a liability to the levy and fail to pay. A late payment interest charge similar to the charge that applies in respect of income tax, VAT, corporation tax etc. also applies. The usual method of recovery for the levy will be the same as for taxes, viz. sheriff enforcement, civil proceedings for recovery through the Courts and attachment of third parties. Other enforcement methods will be used if necessary.

Details of the records required to be kept are set out in the regulations in relation to the levy. The record keeping requirement has been framed to minimise the compliance burden on the legitimate trader while at the same time ensuring that levy evasion can be combated. The basic requirements are an opening stock take of plastic bags when the levy is introduced, a record of plastic bag purchases and a record of plastic bags supplied to customers where the levy applies. The records must differentiate between

- a) those plastic bags not exceeding 225mm in width (exclusive of any gussets), by 345mm in depth (inclusive of any gussets) by 450 mm in length, (inclusive of any handles) used to contain fresh meat, fish, poultry fruit, vegetables and other foods that are not otherwise packed, ice, and
- b) other plastic shopping bags.

Records are not required to be kept, however, of re-usable shopping bags which are sold for 70 cents or more.

How is the levy enforced?

Local Authorities

Local Authorities are central to the enforcement of the levy on the ground. The following actions are undertaken by local authorities in ensuring compliance by retailers with the requirements of the levy regulations:

- visiting retail outlets and talking to retailers
- carrying out initial spot checks
- monitoring implementation
- ensuring that the levy is passed on in full to customers
- ensuring that exemptions are not being abused
- checking tills to confirm that customers are being charged the 31 cent levy for plastic bags where applicable
- taking appropriate action where it has been established that they levy has not been charged to customers - e.g. issuing letter informing retailer of obligations under the regulations and follow up where necessary
- following up on any complaints from the public

Revenue Commissioners

The role of the Revenue Commissioners relates to the collection of the levy. A Service Level Agreement between the Revenue Commissioners and the Department of the Environment heritage and Local Government provides that Revenue has responsibility in relation to collection and for ensuring that business is aware of their obligations in relation to making returns. Revenue are responsible for:

- Identification of accountable persons
- Processing returns and payments received from accountable persons
- Carrying out verification checks relating to the accuracy of returns
- Pursuing accountable persons who fail to deliver returns and payments within the statutory time limits.
- Raising estimates where returns are not received or where liability is under stated.
- Dealing with appeals against estimates raised.

To minimise compliance costs on retailers, checks carried out by Revenue will, insofar as possible, be incorporated with checks carried out in relation to tax liabilities.