



TAX TALK- PLASTIC BAG LEVY

Each year, an estimated 500 billion to 1 trillion plastic bags are consumed worldwide. That comes out to over one million per minute. Out of these plastic bags, billions end up as litter each year.

Plastic bags are quite commonly mistaken for food by animals, especially when the bags carry food residues, are brightly colored or are animated by the movement of water. A great variety of animals, land and especially marine, can choke to death on bags, experiencing much pain and distress. If swallowed whole, animals may not be able to digest real food and die a slow death from starvation or infection.

Hundreds of thousands of sea turtles, whales and other marine mammals die every year from eating discarded plastic bags mistaken for food. Turtles think the bags are jellyfish, their primary food source. On land, many other animals suffer a similar fate to marine life when they accidentally ingest plastic bags while foraging for food. In a landfill, plastic bags take up to 1,000 years to degrade. As litter, they breakdown into tiny bits, contaminating our soil and water.

Plastic bags can have various negative impacts on the environment. In addition to the use of natural resources and waste from plastic bag production, plastic bags can increase the risk of flooding. Because they never break down completely, plastic bags can clog drains and other areas which can eventually cause severe flooding.

While plastic pollution continues to be a huge problem globally, there are some steps being taken to reduce the use of disposable bags.

Many countries are also beginning to create laws that either ban plastic bags entirely or place a fee on them, and these laws have proven to be effective in reducing plastic bag pollution. Fiji is no different.

Plastic Bag Levy

Earlier this year, the Fijian government announced a plastic bag levy of \$0.10 on the use of plastic bags. This new plastic bag levy is part of Government's commitment to clean up Fiji. The ten cents levy on plastic bags will give every Fijian citizen incentive to shop more sustainably and limit the amount of plastic bags that ends up in our environment.

Where does this money go?

As announced in the 2017/2018 National Budget, all monies collected from this levy as part of the wider environment and climate adaptation levy or ECAL will directly fund environmental initiatives and programs that protect our natural environment and climate adaptation projects that boost the resilience of our nation to the severe effects of climate change.

Who can charge Plastic Bag Levy?

The Fiji Revenue and Customs Service wishes to reiterate that all businesses are required under section 6(1) of ECAL Act to charge a levy of 10 cents per plastic bag, provided such businesses utilize a register which is a **Point of Sale (POS) Invoicing Device** into which a cashier enters data for a transaction.

These registers are the ones supported by software programs, either through connection to the server or through in-built system or both. The Levy is applicable on all plastic bags with handles and are provided by the businesses for carrying or transportation of goods.

The Plastic Bag Levy is paid by the consumer based on their choice but collected by the business who will then remit it to Fiji Revenue & Customs. The Levy is not imposed on a manufacturer, wholesaler or retailer of plastic bags.

The business must ensure that the ECAL on plastic bag is shown clearly and separately on the receipt and VAT is not chargeable on this Levy.

All businesses as legislated must display a Notice informing consumers of ECAL charged on plastic bags. The Notice must be clearly legible and displayed in a visible place.

Phase 1 roll-out

Businesses that do not have a Point of Sale System to electronically capture and reconcile the Plastic Bag Levy are not part of the Phase I of this roll-out. Therefore, any customers of these businesses being charged with Plastic Levy MUST immediately report such receipt copies to Fiji Revenue and Customs on 3243000 or via email address info@frcs.org.fj

Failure to adhere to ECAL Act, or any imposition of Plastic Bag Levy by non-POS Operators, will result in fines and penalties.

Using Recyclable Bags

To support this initiative and play your part in protecting the environment people can choose from the options;

- – Use recyclable shopping bags
- – Bring your own shopping bags to use.
- – Ask for empty cartons

The use of recyclable shopping bags will also assist people generate income for their families. People can also sell the re-usable bags to derive income and at the same time promoting “Fijian made products”.

Let us work together to make Fiji a clean environment to live in.