



# Environmental Watch

Examining Environmental Claims and Their Costs • August 2008

## **Paper or Plastic? Seattle Mayor Nickels' Bag Tax**

by Brandon Houskeeper

Policy Analyst, WPC's Center for the Environment

### **Claim**

“The answer to the question ‘Paper or plastic?’ should be ‘Neither,’ Nickels said at a news conference. ‘Both harm the environment. Every piece of plastic ever made is still with us in the environment, and the best way to handle waste is not to create it in the first place.’”

*“Seattle officials propose 20-cent grocery-bag fee,” by Sharon Pian Chang, The Seattle Times, April 3, 2008.*

“One of the most dramatic impacts is on marine life. About 100,000 whales, seals, turtles and other marine animals are killed by plastic bags each year worldwide, according to Planet Ark, an international environmental group.”

*“Plastic left holding the bag as environmental plague,” by Joan Lowy, The Seattle PI, July 21, 2004.*

### **Facts**

The banning or taxing of paper and plastic shopping bags is the latest environmental fad being promoted with the claim that it will improve the environment. Government officials from Ireland to Los Angeles and Australia to Maine have adopted or are considering regulations that would limit consumers' ability to use disposable shopping bags.

According to a report prepared by employees at Seattle Public Utilities, the average consumer in Seattle uses an estimated 485 plastic bags and 110 paper bags per year. Annually that adds up to approximately 360 million disposable bags used by Seattle residents. The same report cites studies that were conducted in 2004 showing low recycling rates in the city for disposable bags.<sup>1</sup> New revenue from the City of Seattle's bag tax would be added to the Seattle Public Utilities department's budget.

Seattle Mayor Greg Nickels and city council members want to require citizens to pay a special tax if they answer the question “paper or plastic?” with anything other than their approved response: “neither.”

### **Seattle's bag tax measure**

Under the City's bag tax, all grocery, drug, and convenience stores will be required to collect what the City calls an “advanced recovery fee.” The tax will add a 20-cent per shopping bag cost to each consumer's receipt on both plastic and paper bags. Seventy-five percent of bag tax revenue will go to fund the utilities programs, and 25 percent will be kept by store owners to pay for the administration of the tax. City officials expect to receive \$10 million annually in new revenue from shoppers paying the bag tax.

<sup>1</sup> “City of Seattle Disposable Shopping Bags Green Fee and EPS Foam Food Container Ban FAQ,” Seattle Public Utilities, April 2, 2008, page 5.



Brandon Houskeeper  
Policy Analyst  
PO Box 3643  
Seattle, WA 98124

bhouskeeper@washingtonpolicy.org  
www.washingtonpolicy.org

City officials will use the money for solid waste and recycling programs. One policy goal is to promote the use of reusable shopping bags. Following Seattle's example, officials in cities around the state are considering imposing their own tax on disposable shopping bags.

### **Opposition to the bag tax**

Seattle's bag tax has sparked opposition from store owners, consumers and state Representative Dean Takko (D – Longview), who represents parts of Southwest Washington.

Rep. Takko points out that paper bags are made in his district and a special tax on them would hurt the people of his area. Rep. Takko has proposed legislation to prohibit measures that would reduce the use of paper disposable bags.<sup>2</sup> In 2008, the legislature defeated an effort to ban plastic shopping bags in Washington, and it took no action against the use of paper bags.

The Washington Food Industry, representing store owners, has proposed an alternative to taxing disposable bags. The owners say stores could voluntarily give a five-cent rebate for the use of reusable shopping bags. Their suggestion has been ignored by city officials.

Store owners dispute the findings in the study by Seattle Public Utilities. They point out that "The City's own research shows that 91% of Seattle's citizens reuse or recycle their bags."<sup>3</sup> In fact, nationally the recycling of plastic bags and film recycling increased 24 percent in 2006, reaching a record high of 812 million pounds.<sup>4</sup> Store owners also dispute the claim that the bag tax has been a success in Ireland, pointing out that Irish citizens use more plastic bags of all types today than they did before the tax.<sup>5</sup>

### **Reviewing the science**

Supporters of the bag tax say increasing costs for shoppers will help the environment, but there is very little scientific support for this claim. Environmental activists say 100,000 marine animals and over a million sea birds were killed between 1981 through 1984 from disposable bags. However, the support for this claim comes from a Canadian study that focused on fishing nets, not plastic bags.<sup>6</sup> A marine biologist with Greenpeace, David Santillo, notes that "bad science was undermining the Government's case for banning the bags." He concluded that "it's very unlikely that many animals are killed by plastic bags."<sup>7</sup>

It is also doubtful that a tax on disposable shopping bags saves energy. There is little, if any, science showing that energy use is reduced by manufacturing large reusable bags instead of smaller lightweight disposable bags.

Economics professor Peter Nickerson, formerly of Seattle University, notes that:

"The tax will unambiguously cause us to substitute away from the taxed grocery bags

<sup>2</sup>"Takko ready to take on Seattle's bag fee," by Cheryl A. Bogaard, The Daily News, August 7, 2008

<sup>3</sup>"It is time to stop the Seattle bag tax," Washington Food Industry, [www.stoptheseattlebagtax.com](http://www.stoptheseattlebagtax.com), accessed August 28, 2008.

<sup>4</sup>"Seattle City Council Ignores Its Own Studies," a press release by American Chemistry Council, July 30, 2008.

<sup>5</sup>"It is time to stop the Seattle bag tax," Washington Food Industry, [www.stoptheseattlebagtax.com](http://www.stoptheseattlebagtax.com), accessed August 28, 2008.

<sup>6</sup>"Series of blunders turned the plastic bag into global villain," by Alexi Monstrous, The London Times, March 8, 2008.

<sup>7</sup> Ibid.

towards more intensive use of other bags and containers whose production uses significant amounts of oil-based synthetic fibers and plastics. The evidence in Ireland shows a significant increase in the use of other types of plastic bags since the implementation of their tax. For instance, the consumption of trash can liners (also made of plastic) doubled as a result of the tax.”<sup>8</sup>

The lack of science regarding the environmental impact of taxing disposable bags undermines the supposed reason for imposing the tax in the first place.

## **Costs**

The average cost of the bag tax to consumers will be \$119 per person, per year, based on current estimated usage. The new tax will cost a Seattle family that uses 25 grocery bags a week an additional \$260 a year. As mentioned, total cost to consumers will be \$10 million a year. City officials say they expect to drive down the use of disposable bags by 70 percent.

Having rejected store owners’ offer of a voluntary bag program, the city council plans to spend \$700,000 a year on enforcement of the mandatory bag tax.

In his study “Analysis of the Seattle Bag Tax and Foam Ban Proposal,” Professor Nickerson challenges many of the arguments made by proponents of taxing disposable bags. The study’s point-by-point evaluation finds that the environmental savings from Seattle’s proposal is the equivalent of removing 665 cars from the road. That may seem like a lot, but Nickerson notes that this is only 4/100ths of one percent of the cars on the road in King County.<sup>9</sup>

The many unanswered questions about the environmental science and the burden it will impose on consumers should lead Seattle’s elected officials to reconsider imposing the shopping bag tax. The tax may make them feel they are on the cutting edge of protecting the environment, but like other eco-fads the policy is more symbolism than substance. Despite the unsupported claims of activists, the bag tax will likely bring no benefit to the environment, though it will burden consumers’ pocketbooks.

<sup>8</sup> “Comment on the Proposed ‘Green Fee,’” statement by Professor Peter Nickerson to the Seattle City Council, July 14, 2008, [www.seattlebagtax.org/lettertocitycouncil.html](http://www.seattlebagtax.org/lettertocitycouncil.html).

<sup>9</sup> “Analysis of the Seattle Bag Tax and Foam Ban Proposal,” p. 20, by Randal R. Rucker, Peter H. Nickerson, Melissa, P. Haugen, Northwest Economic Policy Seminar, July 25, 2008 page 20, [www.seattlebagtax.org/RuckerReport.pdf](http://www.seattlebagtax.org/RuckerReport.pdf).