

The Washington Post

District businesses not harmed by bag tax

By David Nakamura
Washington Post Staff Writer
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While shoppers have drastically cut their reliance on bags at District stores since a [controversial tax was enacted last year](#), business owners have reported little harm to their bottom line and in some cases saved money because they are buying fewer bags, according to a survey released Wednesday by an environmental group.

The D.C. tax [charges shoppers 5 cents per bag](#), revenue the city has earmarked to [clean up the polluted Anacostia River](#). City officials have said bag use decreased from about 270 million in 2009 to about 55 million last year - a reduction of 80 percent. The city earned about [\\$2 million from the tax](#), less than the \$3.5 million that had been projected.

In a survey of 600 randomly chosen D.C. residents commissioned by the [Alice Ferguson Foundation](#), 75 percent said they are using fewer bags since the tax was enacted, while 21 percent said they have not changed their habits. An additional survey of 51 business owners found that 58 percent said they had seen no changes to their business, while 20 percent reported positive effects from the tax, including less litter around the store and savings on the number of bags they purchased to serve customers.

Twelve percent of the business owners reported negative effects from the tax, although the report does not detail what they were.

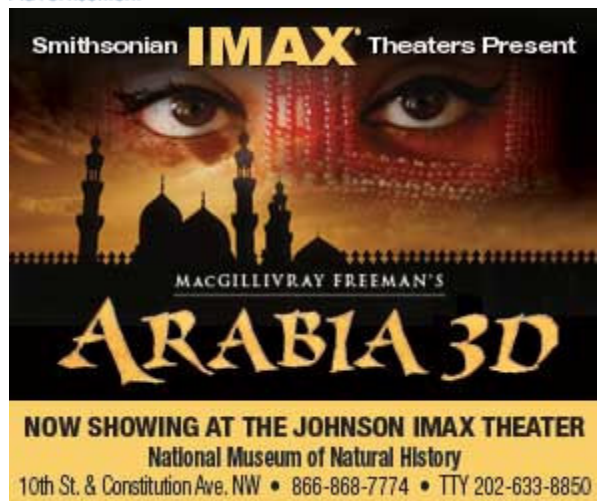
"Businesses said their customers have adjusted to the law, and there appears to be very little complaining about it by customers," says the report, "Public Perceptions and Willingness to Address Litter in the District of Columbia."

The survey of residents, which has a margin of error of four percentage points, was conducted July 21-28 by [OpinionWorks](#), an Annapolis-based research and marketing firm. The survey of businesses was done through telephone and in-person interviews from July through January. The Ferguson Foundation, an education and environmental group dedicated to cleaning up the Potomac River, paid \$44,000 for the study, which is the start of a broader campaign to prevent litter in the District and in Prince George's, Montgomery, Arlington and Fairfax counties.

"Generally speaking, businesses are responding positively" to the bag tax, said Laura Chamberlain, a program manager at the Ferguson Foundation. She and others at the organization called the tax a public policy success, even as other jurisdictions have wrestled with similar proposals. The Virginia General Assembly recently [defeated a bag tax](#); the Maryland General Assembly is [continuing its debate](#).

Bag taxes are controversial, and critics have said they can be harmful to business and economic development. A study of the D.C. bag tax last month by Suffolk University, commissioned by Americans for Tax Reform, predicted a potential loss of revenue and jobs because shoppers would have less money to spend on consumer goods by paying for bags and potentially would leave the District to shop in Maryland and Virginia.

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"Any percentage, even if very small, of purchases at margin that are made outside the District of Columbia or elsewhere to avoid the bag tax would be lost purchases and spending," said Paul Bachman, Suffolk's director of research.

The Ferguson survey also examined the amount of littering in the District and found that 40 percent of residents said they had thrown on the ground at least one of the following: food, cigarette butts, chewing gum, wrappers, bottles, cans, cups or boxes of trash. And 40 percent of the business owners said there was litter on their properties.

The D.C. government has spent hundreds of thousands of dollars on anti-littering advertising aimed at youths and increased fines in recent years.

"Litter is a widespread problem in the District," the report says.

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