

110TH CONGRESS  
2D SESSION

# H. R. 6749

To amend the Internal Revenue Code of 1986 to allow retail businesses a credit against income tax for a portion of the cost of recycling plastic carry-out bags and certain other types of plastic.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2008

Mrs. LOWEY introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow retail businesses a credit against income tax for a portion of the cost of recycling plastic carry-out bags and certain other types of plastic.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Economic Credit Op-  
5 portunity for Businesses Acting Green Act of 2008” or  
6 the “ECOBAG Act of 2008”.

7 **SEC. 2. FINDINGS AND PURPOSE.**

8 (a) FINDINGS.—The Congress finds the following:

1           (1) It is estimated that Americans use approxi-  
2           mately 100 billion plastic bags per year. An esti-  
3           mated 0.6 percent of these bags will be recycled.

4           (2) The production of plastic bags and film  
5           plastic worldwide uses over 12 million barrels of oil  
6           per year, accounting for upwards of 4 percent of the  
7           world's total oil production.

8           (3) The Environmental Protection Agency has  
9           found that the average plastic bag will take up to  
10          1000 years to decompose. Because these plastic bags  
11          do not biodegrade, when improperly disposed they  
12          ultimately end up breaking down into smaller pieces  
13          contaminating our soil and waterways while causing  
14          injury, illness, or death to our animal and marine  
15          life.

16          (b) PURPOSE.—The purpose of this Act is to allow  
17          an income tax credit for retail businesses that participate  
18          in at-store plastic bag recycling programs.

19   **SEC. 3. CREDIT FOR COSTS OF COLLECTION AND RECY-**  
20                           **CLING BY RETAIL BUSINESSES OF PLASTIC**  
21                           **CARRY-OUT BAGS AND CERTAIN OTHER**  
22                           **TYPES OF PLASTIC.**

23          (a) IN GENERAL.—Subpart D of part IV of sub-  
24          chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to business-related credits) is amended by  
2 inserting after section 45P the following new section:

3 **“SEC. 45Q. COSTS OF COLLECTION AND RECYCLING BY RE-**  
4 **TAIL BUSINESSES OF PLASTIC CARRY-OUT**  
5 **BAGS AND CERTAIN OTHER TYPES OF PLAS-**  
6 **TIC.**

7 “(a) IN GENERAL.—For purposes of section 38, in  
8 the case of an eligible taxpayer, the plastic carry-out bag  
9 recycling credit is an amount equal to 15 percent of the  
10 amount paid or incurred directly or indirectly by the tax-  
11 payer to implement an at-store recycling program for 1  
12 or more types of eligible plastic.

13 “(b) ELIGIBLE TAXPAYER.—For purposes of this  
14 section—

15 “(1) IN GENERAL.—The term ‘eligible taxpayer’  
16 means any taxpayer engaged in the trade or busi-  
17 ness of selling property at retail and who accepts for  
18 recycling 1 or more types of eligible plastic at retail  
19 business premises of the taxpayer.

20 “(2) EXCEPTION.—Such term shall not include  
21 any taxpayer engaged in the trade or business of re-  
22 cycling.

23 “(c) ELIGIBLE PLASTIC.—For purposes of this sec-  
24 tion, the term ‘eligible plastic’ means plastic carry-out

1 bags, film plastic, and other types of plastic specified in  
2 regulations prescribed by the Secretary.

3 “(d) **EXPENSES OFFSET BY RECYCLING INCOME.**—  
4 The expenses which would (but for this subsection) be  
5 taken into account under subsection (a) shall be reduced  
6 by any income from the sale of used plastic carry-out bags  
7 to any recycler.”.

8 (b) **CONFORMING AMENDMENT.**—Section 38(b) of  
9 such Code is amended by striking “plus” at the end of  
10 paragraph (32), by striking the period at the end of para-  
11 graph (33) and inserting “, plus”, and by adding at the  
12 end the following new paragraph:

13 “(34) in the case of an eligible taxpayer (as de-  
14 fined in section 45Q(b)), the plastic carry-out bag  
15 recycling credit determined under section 45Q(a).”.

16 (c) **CLERICAL AMENDMENT.**—The table of sections  
17 for subpart D of part IV of subchapter A of chapter 1  
18 of such Code is amended by adding at the end the fol-  
19 lowing new item:

“Sec. 45Q. Costs of collection and recycling by retail businesses of plastic  
carry-out bags and certain other types of plastic.”.

20 (d) **EFFECTIVE DATE.**—The amendments made by  
21 this section shall apply to amounts paid or incurred after  
22 the date of the enactment of this Act in taxable years end-  
23 ing after such date.

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