

## About the PaintCare Fee

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Paint stewardship laws require retailers to add a fee to architectural paint products and make sure they are not selling unregistered brands of architectural paint.

### PaintCare

PaintCare is a nonprofit organization established by the American Coatings Association to implement manufacturer-led paint stewardship programs in states that pass paint stewardship laws. PaintCare currently operates programs in California, Colorado, Connecticut, District of Columbia, Maine, Minnesota, Oregon, Rhode Island, Vermont, and Washington, and is developing a program for New York. The main goal of PaintCare is to decrease paint waste and recycle more postconsumer paint by setting up convenient drop-off sites in each state.

### 1. What is the recovery fee and how does it work?

The PaintCare program is funded through a paint stewardship fee called the PaintCare fee. The PaintCare fee is applied to the purchase price of architectural paint. The fee funds collection, transportation, and processing of unused postconsumer (leftover) architectural paint, public education about proper paint management, and administrative costs. The fee is paid to PaintCare by paint manufacturers. This fee is then added to the wholesale and retail purchase price of paint, passing the cost of managing postconsumer paint to everyone who purchases paint. This reduces local and state government costs for paint management and provides a funding source for a more convenient, statewide paint management program.

### 2. Do retailers have to pass on the fee?

Yes, each state or jurisdiction's law requires retailers to pass on the fee to consumers, ensuring a level playing field for all parties. This requirement includes paint sold online on any e-commerce websites.

### 3. How much is the fee?

The PaintCare fee is based on container size and varies from one program to another:

#### California, Colorado, Connecticut, Maine, Rhode Island

- \$ 0.00 — Half pint or smaller
- \$ 0.35 — Larger than half pint up to smaller than 1 gallon
- \$ 0.75 — 1 gallon
- \$ 1.60 — Larger than 1 gallon up to 5 gallons

#### District of Columbia, Oregon, Washington

- \$ 0.00 — Half pint or smaller
- \$ 0.45 — Larger than half pint up to smaller than 1 gallon
- \$ 0.95 — 1 gallon up to 2 gallons
- \$ 1.95 — Larger than 2 gallons up to 5 gallons

#### Minnesota

- \$ 0.00 — Half pint or smaller
- \$ 0.49 — Larger than half pint up to smaller than 1 gallon
- \$ 0.99 — 1 gallon up to 2 gallons
- \$ 1.99 — Larger than 2 gallons up to 5 gallons

#### Vermont

- \$ 0.00 — Half pint or smaller
- \$ 0.49 — Larger than half pint up to smaller than 1 gallon
- \$ 0.99 — 1 gallon
- \$ 1.99 — Larger than 1 gallon up to 5 gallons

#### New York

The fee structure for New York is not yet known. PaintCare will propose a fee structure in the program plan for New York, and it will be based on the anticipated costs to run the program. The fee must be approved by the state oversight agency. Visit [www.paintcare.org](http://www.paintcare.org) for updates.

### Recommendations for Contractors

#### Preparing Estimates

When estimating jobs, contractors should take the PaintCare fee into account by checking with suppliers to make sure their quotes for paint products include the fee.

#### Pass Fee to Customers

PaintCare suggests that painting contractors pass on the fee to customers in order to recoup the fee they pay. Tell customers that quotes include the PaintCare fee and that the fee funds a statewide paint recycling program.

#### **4. How is the fee initially calculated?**

When a new program starts, the fee is set to cover the cost of a fully implemented program. PaintCare estimates annual sales of paint in each state and then divides the cost of the program in that state by the number of containers sold in that state. Next, the fee is adjusted based on container size by taking into consideration the typical percentage of unused paint for each size (e.g., the percentage of unused paint from one 5 gallon container is typically less than from five 1 gallon containers).

PaintCare is a nonprofit organization, so the fee may be decreased if set at a level beyond what is needed to cover program expenses. Likewise, the fee may be increased if PaintCare does not collect enough revenue to cover the costs to operate the state program.

#### **5. Are retailers required to show the fee on receipts?**

No, but PaintCare encourages retailers to do so and to display it as PaintCare fee to aid in consumer education. Most stores choose to show the fee on their receipts in order to inform the consumer about the PaintCare program and to explain the price increase.

#### **6. Do retailers return the fee if someone returns a product?**

Yes. The fee should be returned as part of the purchase price.

#### **7. Is the fee taxable?**

Yes, the fee is part of the purchase price of paint. Sales tax is collected on the fee in most cases, except in Oregon, a state that does not have a sales tax, and Maine, per supplemental legislation.

#### **8. Is the fee to be applied to paint sold to customers who are exempt from sales tax?**

Yes, government agencies and other organizations that are exempt from sales tax in PaintCare States must still pay the fee, because it is part of the price of paint. However, the fee, like the rest of the product price, should not be taxed for sales tax-exempt organizations.

#### **9. Is the fee a deposit that is returned to customers when they bring paint to a drop-off site?**

No, the fee is not a deposit. The fee is used entirely to cover the cost of running the program.

#### **10. How does the public know about the fee?**

PaintCare provides public education materials to retailers. These materials explain the purpose of the fee, where to take paint for recycling, and other information about the program. When a new state program begins, PaintCare mails a package of materials to retailers. As needed, retailers may order additional free materials from PaintCare at any time. In addition to retailer information, PaintCare works with contractor associations to provide information to trade painters and conducts general outreach including newspaper, radio, television, and online advertising.

#### **11. How do we as retailers know what products to put the fee on?**

Suppliers' invoices should indicate that you are being charged the fee, so you simply pass on the fee for those items. Additionally, PaintCare and each state's oversight agency list all architectural paint manufacturers and brands that are registered for the program on their websites. Retailers may not sell brands that are not registered with the program. If your store sells architectural coatings that are not on the list of registered products, please notify PaintCare so we can contact the manufacturer to get them registered.

#### **12. What products are covered?**

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold. PaintCare Products include interior and exterior architectural coatings sold in container sizes of five gallons or less. They do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings. For a detailed list of PaintCare and non-PaintCare products, please visit [www.paintcare.org/products-we-accept](http://www.paintcare.org/products-we-accept).

#### **FOR NEW PROGRAMS**

#### **13. Do we apply the fee to sales on the first day of the program for inventory purchased before the first day of the program, even though we didn't pay a fee for the product to the distributor or manufacturer?**

Yes, retailers must add the fee on all covered products sold on or after the first day of the program, regardless of when (before or after program launch) they were purchased from the distributor or manufacturer.