

Remitter Agreements

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Remitter agreements are tools to assist manufacturers, distributors, and retailers with their reporting and fee remittance responsibilities for PaintCare's programs.

Paint Stewardship

PaintCare is a nonprofit organization established by the American Coatings Association to implement paint stewardship programs on behalf of paint manufacturers in each state that adopts a paint stewardship law. PaintCare currently has programs in California, Colorado, Connecticut, the District of Columbia, Maine, Minnesota, Oregon, Rhode Island, Vermont, and Washington, and is planning a program in New York.

Funding and Fee

As required by each state's paint stewardship law, the PaintCare fee must be added by manufacturers to the wholesale price of all architectural paint sold in the state. Manufacturers pay this fee to PaintCare to fund setting up drop-off sites for postconsumer (leftover) architectural paint and for the transportation and recycling/disposal of that paint. It also pays for consumer education and program administration.

Tracking Sales

Due to complex distribution chains, manufacturers do not always know the quantity of their products sold in a particular state. To comply with the reporting and fee remittance requirements of each state law, a manufacturer can either obtain their sales data from their dealers (distributors and/or retailers) or use a Remitter Agreement.

Who is Responsible for Reporting and Remitting?

Manufacturers. Under each state law, a manufacturer is obligated to participate in the stewardship program for that state – through a representative organization (such as PaintCare) – even if located outside of the state. Manufacturers are responsible for reporting their sales and paying the fee for each container of architectural paint sold in each state.

Dealers. Paint distributors and retailers will normally see the fee on their invoices from paint manufacturers. The law requires that each distributor and retailer add the fee to their retail sale price of architectural paint sold in the state. In states with PaintCare programs, retailers and distributors are prohibited from selling architectural paint of any manufacturer that is not participating in the program.

Remitter Agreements

These agreements move the responsibility for filing reports and remitting fees to the dealer. PaintCare will accept fees and reporting information from distributors or retailers selling paint in the individual states on behalf of their manufacturer supplier(s). This arrangement is established by the parties entering into an agreement.

In most cases, agreements are used between manufacturers and their distributors, as well as between manufacturers and retailers. In some cases, agreements are used between distributors and retailers (when the same distributor has agreements with one or more manufacturers). Agreements can be used for all or part of a manufacturer's sales.

Agreements benefit a manufacturer by passing the reporting and remittance task to their dealer. There is also an economic benefit to the dealer – payment of the fees occurs after, rather than before, the sale.

Scenarios

Here are three scenarios in which remitter agreements may be used:

Scenario 1. Manufacturer sells and ships to its own company-owned, in-state store. The manufacturer also sells to an out-of-state distributor.

- For sales to its in-state stores, the manufacturer knows these quantities and reports and pays fees on them.
- For sales to the distributor, the manufacturer does not know the quantities sold into the state. The manufacturer may have the distributor report and pay fees on these sales on behalf of the manufacturer, as long as the distributor agrees to sign an agreement and to be subject to audit.

Scenario 2. Manufacturer sells directly to an in-state retailer and an in-state distributor.

- For direct sales to the retailer, the manufacturer knows these quantities and reports and pays fees on them.
- For sales to the distributor, the manufacturer does not know if all quantities remain in the state (the distributor may sell some to out-of-state retailers). The manufacturer may have the distributor report and pay fees on behalf of the manufacturer, as long as the distributor agrees to sign an agreement and to be subject to audit.

Scenario 3. Manufacturer sells to an out-of-state distributor. Next, the distributor sells to an in-state retailer.

- The manufacturer does not know sales into the state. The manufacturer may either (a) report and pay fees on all quantities sold to the distributor or (b) not report and pay fees and have the distributor report and pay fees on behalf of the manufacturer on quantities sold into the state, as long as the distributor agrees to sign an agreement and to be subject to audit.
- Neither the manufacturer nor the distributor needs to report or pay fees, as long as the in-state retailer agrees to sign an agreement to report and pay fees on behalf of the manufacturer, and to be subject to audit.

Frequently Asked Questions

Can I Sign Multiple Remitter Agreements?

Yes. As a manufacturer, you can sign remitter agreements with more than one dealer. Likewise, distributors may sign remitter agreements with more than one manufacturer and/or retailer. Retailers may also sign agreements with more than one supplier (manufacturer or distributor), and often a supplier will provide program products from multiple manufacturers. Separate agreements are required for each state.

How Do I Report Sales?

A separate report is required for each state. If you are remitting on behalf of someone else, you will only be required to report sales in the aggregate, regardless of the number of parties for which you are reporting. For all of the sales into an individual state, you will report your total unit sales by container size monthly. Reports are due by the end of the following month and are filed using a secure, web-based reporting system.

What Are My Obligations as a Remitter?

In addition to reporting sales and paying the associated fees, the program will conduct compliance reviews. Fees will be required on any unreported sales. Remitters who do not appear to be acting in good faith are subject to expulsion from the program.

Contact

Remitter agreements may be initiated and accepted electronically for companies that already have an account to use PaintCare's reporting website: www.paintcarereporting.org. If you would like to initiate an agreement and have not yet set up an account, please contact PaintCare for assistance.

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