



## About PaintCare Fees

UPDATED — MARCH 2018

**Laws in eight PaintCare States and the District of Columbia require retailers to add a stewardship assessment to architectural paint products and make sure they are not selling unregistered brands of architectural paint.**

### Paint Stewardship Programs

PaintCare Inc. is a nonprofit organization established by American Coatings Association to implement paint stewardship programs on behalf of paint manufacturers in states and the District of Columbia that pass paint stewardship laws. The main goals of the program are 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 assessment called the PaintCare Fee – fees are applied to the purchase price of architectural paint. The fees fund collection, transportation, and processing of unused postconsumer 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 municipal 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's or jurisdiction's law requires retailers to pass on the fee to consumers, ensuring a level playing field for all parties.

#### 3. What are the fees?

Fees are based on container size and vary by state or jurisdiction, as shown here.

**California, Colorado, Connecticut, Maine, Oregon and Rhode Island**

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

**District of Columbia** (as of November 1, 2016)

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

**Minnesota** (effective September 1, 2017)

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

**Vermont** (as of August 1, 2016)

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

#### **4. How are fees calculated?**

Fees are 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 fees are 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 five-gallon container is typically less than from five one-gallon containers).

PaintCare is a nonprofit organization, so the fees may be decreased if set at a level beyond what is needed to cover program expenses. Likewise, the fees may be increased if PaintCare does not collect enough money 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, except in a state that does not have a sales tax, such as Oregon.

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

Yes, government agencies and other organizations that are exempt from sales taxes 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 fees are used entirely to cover the cost of running the program.

#### **10. Do retailers add the fee on sales starting on the first day of the program (i.e., on inventory purchased before the first day) even though they did not pay fees on inventory to the distributor or manufacturer?**

[For new programs] Yes, in order to provide for a hard start date, retailers must add the fee on all inventory sold on or after the start date of the program. Fees collected on existing inventory stay with the retailer; they are not paid back to the distributor or manufacturer.

#### **11. 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 "starter pack" of materials to retailers. As needed, retailers may order additional free materials from PaintCare. In addition to retailer information, PaintCare works with contractor associations to get information to trade painters, and conducts general outreach including newspaper, radio, television, and on-line advertising.

#### **12. How do we as a retailer know what products to put the fee on?**

Your supplier's invoice 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.

#### **13. 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 containers of five gallons or less. However, 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 see PaintCare's "Products We Accept" Web page.