

## ***The Second Hand Tax Plan***

**Goal:** encourage reuse by Grand Junction residents and those who shop in Grand Junction by lowering the effective cost of second hand goods.

**Experiment Structure:** For a defined period of time, eliminate city sales tax for qualifying items. Observe whether or not sales of secondhand goods increase more than overall sales for the city of Grand Junction. Using reasonable and agreed-to assumptions, estimate the amount of waste diverted from a landfill and estimate carbon emission reduction associated with this diversion. Using this data, determine whether there is a positive, neutral or negative impact to Grand Junction citizens, Grand Junction waste management facilities, and the environment in general.

**Qualifying items:** any item with a sales price under \$5,000 that has previously been sold in a retail setting where sales tax was collected.

- **Includes** consignment sales, antique sales, and items donated to and sold through charity shops.
- **Does not include** items that have been used but not yet sold. For example, a “homemade” blanket used by the person who created it and then sold would not be considered under this program.
  - **Note:** Gear Junction & Grand Valley books both claim it is relatively easy to segregate new vs. used items at the cash register
- **Does not include** items donated to charity organizations by retailers that have not yet been sold. For example, new mattresses sold at Goodwill or unsold clearance items donated to charity shops.
- **Does not include** online purchases of any kind (ThredUp, Poshmark, Ebay, Etc). This program applies only to in-store purchases.

### **Statistics about waste in the US and Carbon Emissions for various items**

**Textiles (1):** <https://theroundup.org/textile-waste-statistics/>

- The US generates just over **17 million tons** of textile MSW (Municipal Solid Waste) per year, according to the most recent EPA data.
- That is around **112lb per person**, according to the latest census statistics.
- In the US, **66%** of all unwanted clothes and textiles are landfilled.
- Less than **15%** are recycled.
- The rest (**19%**) are burned.

**Textiles (2):** end of Wasteland Chapter 5 “If we are able to create a proper circular economy when it comes to clothing, we wouldn’t need to produce more clothes for the next thirty years...there are enough clothes produced already.”

**Jeans(1):** <https://www.thecommons.earth/blog/understanding-the-carbon-footprint-of-denim>

- “...research estimates suggest that a single pair of jeans can have a carbon footprint ranging from 33 to 80 kilograms of CO2 equivalent emissions.”

**o Jeans (2):** <https://www.oxfam.org.uk/media/press-releases/making-the-jeans-owned-by-brits-produced-co2-equivalent-to-flying-around-the-world-more-than-2300-times/>

- “The figures are astonishing – who knew **making a pair of brand new jeans is like driving 60 miles** in terms of global warming. Continuing on this road is just not sustainable for the planet and everyone who lives on it.”
- “According to [the latest Levi’s estimates](#) (2015, p. 1 of the Appendix), the *lifecycle CO<sub>2</sub>e emissions associated to each pair of jeans amounts to 33.4 kg CO<sub>2</sub>e; of those, 16.2 kg CO<sub>2</sub>e* are estimated by Levi’s to be *manufacturing emissions* (i.e. created across the stages of fibre, fabric assembly, cut, sew and finish, sundries and packaging).”

**Books:** <https://www.newscientist.com/lastword/mg24933211-400-is-it-better-for-the-planet-to-read-online-or-in-a-paper-format/>

- “**A typical paperback book has a climate impact similar to that of watching 6 hours of TV, at around 1 kilogram of carbon dioxide equivalent (CO<sub>2</sub>e).** This unit is a measure of carbon footprint, expressed in terms of the amount of carbon dioxide that would have the same impact over a 100-year period.”

**Bikes (1):** <https://road.cc/content/feature/carbon-footprint-bike-294925>

- Modone carbon frame: 197kg CO<sub>2</sub>e
- Average Trek: 174kg CO<sub>2</sub>e

**Bikes (2):** drone footage of bike graveyard: <https://www.youtube.com/watch?v=XLms-8zEcCg>

**Furniture:** <https://www.cnn.com/style/article/fast-furniture-problem-for-our-planet/index.html>

- Americans threw away 12 million tons of furniture in 2018; 80% ended up in a landfill
- That is approximately 73 pounds per person per year

#### **Potential Local Benefits:**

- Decrease in local landfill waste
- Increase in sales and profits for retailers selling second hand goods
- Decrease in cost for local residents (lower sales tax plus average lower costs for second hand vs. new goods)
- Increase in local sales due to incentive to buy local and not online
- Increase in income for people who sell clothes via consignment
- Increase in donations to charitable shops
- New option to market Grand Junction as a shopping destination
- Some offset for residents to the tax increase implemented for the rec center
- An opportunity for Grand Junction to set a new trend; to the best of my limited research all states charge sales tax on second hand items. There is one program in Southern California that does not charge sales tax on items purchased at charity shops, so long as the mission of the shop falls within a defined set of guidelines
- <https://www.cdtfa.ca.gov/lawguides/vol2/suta/165-0000-all.html#165-0096>

### **Potential regional/global benefits**

- Decrease in carbon emissions from fewer items in landfill
- Decrease in carbon emissions from fewer new items produced
- Incentive for retailers to purchase higher quality goods that have resale value rather than following the “fast fashion” trend
- Incentive for county and state governments to consider reducing sales tax on second hand goods. Note: County and state governments may have a higher incentive to do this since they hand back excess money anyway; it would make sense for them to selectively lower taxes that benefit lower income groups.