

California's plastics bill raises prices, punishes the poor

It also hijacks federalism

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California never misses an opportunity to push middle-income and poor families closer to poverty. Gov. Gavin Newsom's SB 54 — the Plastic Pollution Prevention and Packaging Producer Responsibility Act — is one more costly example.

It is being marketed as an environmental milestone, but in practice, it is a stealth tax on every American, especially those least able to absorb higher costs. Thankfully, 17 states are saying no to having this piece of California craziness imposed on them and are fighting back in federal court.

SB 54 is California's attempt to decide which kinds of plastics are acceptable and which are not for the nation. Specifically, it forces producers of packaging and single-use plastics to redesign products, meet strict recyclability mandates and pay billions of dollars into a California-controlled environmental "superfund."

California politicians claim corporations will absorb these costs. However, corporations do not absorb costs; consumers do. Because California is the nation's largest market, companies cannot realistically create one packaging system for California and another for the rest of the country. They will end up spreading the costs nationwide.

This means that families in states that never asked for this expensive green nonsense must deal with it anyway.

In normal U.S. market conditions, recycled plastics — the materials California is forcing producers to use — are typically 10% to 20% more expensive than virgin plastics. Food-grade recycled plastics can cost hundreds of dollars more per metric ton. Recycled plastics are also weaker, meaning that manufacturers must use more material to achieve the same durability.

All this raises costs. These costs show up on store shelves. A 10% to 20% increase in packaging costs may sound trivial to policymakers in Sacramento, but for a single mother in Mississippi or a retiree in Ohio, the effect compounds across every item in the cart. SB 54 is a textbook regressive tax, one that takes a larger share from those with the least.

Not only is this a bad policy, but it is being forced on other states that never asked for it. This is the central argument behind the lawsuit filed by 17 state attorneys general.

California voters may support aggressive environmental mandates. Some may even be willing to absorb higher prices. Still, voters in other states did not choose this policy, yet they are forced to pay for it because national producers cannot isolate California's costs.

"Once again, California is trying to enact a policy that negatively impacts the rest of the country," said Nebraska Attorney General Mike Hilgers. Nebraska is one of the 17 states bringing the case against the California law.

This is not cooperative federalism. It is regulatory imperialism.

If California succeeds here, nothing stops it from imposing similar nationwide costs in energy, agriculture, transportation, consumer electronics, you name it. SB 54 is not just a plastics law. It is a blueprint for how one state can impose its preferences on the entire country.

The 17 attorneys general are right to fight it. Their lawsuit is not about denying environmental protection. It is about protecting consumers, restoring constitutional limits and preventing California from taxing the entire nation through regulatory force.

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