

1 **H. B. 3138**

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3 (By Delegate Perdue)

4 [Introduced March 25, 2013; referred to the
5 Committee on Health and Human Resources then Finance.]
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10 A BILL to amend and reenact §11-17-3 of the Code of West Virginia,
11 1931, as amended, relating generally to raising the excise tax
12 on cigarettes and all other tobacco products; and establishing
13 a special revenue account dedicating half the proceeds from
14 the increased excise tax to certain health related issues and
15 the other half to the General Revenue Fund.

16 *Be it enacted by the Legislature of West Virginia:*

17 That §11-17-3 of the Code of West Virginia, 1931, as amended,
18 be amended and reenacted to read as follows:

19 **ARTICLE 17. TOBACCO PRODUCTS EXCISE TAX ACT.**

20 **§11-17-3. Levy of tax; ratio; dedication of proceeds.**

21 (a) *Tax on cigarettes.* -- ~~For the purpose of providing revenue~~
22 ~~for the General Revenue Fund of the state, a~~ An excise tax is
23 hereby levied and imposed on sales of cigarettes at the rate of ~~55¢~~
24 \$1.55 on each twenty cigarettes or in like ratio on any part

1 thereof. Only one sale of the same article shall be used in
2 computing the amount of tax due under this subsection.

3 (b) *Tax on tobacco products other than cigarettes.* --
4 ~~Effective January 1, 2002,~~ a An excise tax is hereby levied and
5 imposed on the sale or use of, other than cigarettes, tobacco
6 products at a rate equal to ~~seven percent~~ fifty percent of the
7 wholesale price of each article or item of tobacco product other
8 than cigarettes sold by the wholesaler or subjobber dealer, whether
9 or not sold at wholesale, or if not sold, then at the same rate
10 upon the use by the wholesaler or dealer. Only one sale of the
11 same article shall be used in computing the amount of tax due under
12 this subsection. ~~Revenues received from this tax shall be~~
13 ~~deposited into the General Revenue Fund.~~

14 (c) *Effective date.* -- The changes set forth herein to this
15 section and section four of this article shall become effective ~~May~~
16 ~~1, 2003~~ July 1, 2013.

17 (d) One half of all moneys collected pursuant to this section,
18 up to an annual amount of \$60 million, shall be deposited in a
19 special account in the State Treasury to be known as the "West
20 Virginia Healthy Future Fund". Expenditures from the fund shall be
21 made annually to the Department of Health and Human Resources in
22 the amount of \$27 million for implementation of comprehensive
23 tobacco prevention and cessation programming in compliance with the
24 Centers for Disease Control and Prevention's Best Practices for

1 Tobacco Control and Prevention. Any additional moneys in the fund
2 are to be expended by annual appropriation by the Legislature:
3 Provided, That these funds are solely used to provide funding for
4 public health, substance abuse programs or healthcare. The
5 remaining one half of the collection not placed in this special
6 account shall be deposited in the General Revenue Fund.

NOTE: The purpose of this bill is to raise the tobacco tax by \$1 and dedicate half the proceeds to certain health related issues and the other half to the General Revenue Fund.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.