

Senate Bill No. 618

(By Senator Carmichael)

[Introduced March 22, 2013; referred to the Committee on
Finance.]

**FISCAL
NOTE**

10 A BILL to amend the Code of West Virginia, 1931, as amended, by
11 adding thereto a new article, designated §11-28-1, §11-28-2,
12 §11-28-3, §11-28-4, §11-28-5 and §11-28-6, all relating to
13 creating the Tax Revenue Act of 2013; increasing taxes on
14 tobacco, beer, wine and liquor; providing for assessment of
15 business machinery and equipment to be assessed at salvage
16 value; establishing a special account for the increased
17 revenue; providing that the first \$1 million received from the
18 increases be directed to the West Virginia Department of
19 Agriculture to assist farmers with tobacco crop replacement
20 programs; and permitting counties to make application for
21 distribution of an amount equal to the 2012 revenue received
22 by the county from the personal property tax on business
23 machinery and equipment.

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

1 That the Code of West Virginia, 1931, as amended, be amended,
2 by adding thereto a new article, designated §11-28-1, §11-28-2,
3 §11-28-3, §11-28-4, §11-28-5 and §11-28-6, all to read as follows:

4 **ARTICLE 28. TAX REVENUE ACT OF 2013.**

5 **§11-28-1. Increase tax on cigarettes and tobacco products.**

6 (a) Notwithstanding any other provision of this code to the
7 contrary, effective July 1, 2013, the tax imposed on cigarettes by
8 section three, article seventeen of this chapter shall be increased
9 by \$1 on each twenty cigarettes or in like ratio on any part
10 thereof.

11 (b) Notwithstanding any other provision of this code to the
12 contrary, effective July 1, 2013, the tax imposed on the sale or
13 use of tobacco products, other than cigarettes, shall be increased
14 by fifty percent whether sold at retail or wholesale.

15 **§11-28-2. Increase Barrel tax on nonintoxicating beer.**

16 Notwithstanding any other provision of this code to the
17 contrary, effective July 1, 2013, the barrel tax imposed on
18 nonintoxicating beer by section thirteen, article sixteen of this
19 chapter shall be increased by twenty-five percent on each barrel of
20 thirty-one gallons and in like ratio on each part barrel of
21 nonintoxicating beer manufactured in this state for sale within
22 this state, whether contained or sold in barrels, bottles or other
23 containers, and a like tax is hereby levied and imposed upon all
24 nonintoxicating beer manufactured outside of this state and brought

1 into this state for sale within this state.

2 **§11-28-3. Increase liter tax on sale of wine.**

3 Notwithstanding any other provision of this code to the
4 contrary, effective July 1, 2013, the liter tax imposed on wine by
5 section four, article eight, chapter sixty of this code shall be
6 increased by twenty-five percent per liter.

7 **§11-28-4. Increase price of alcoholic liquors.**

8 Notwithstanding any other provision of this code to the
9 contrary, effective July 1, 2013, wholesale prices for the sale of
10 liquor, other than wine, to retail licensees as established by
11 section seventeen, article three-a, chapter sixty of this code
12 shall be increased by twenty-five percent.

13 **§11-28-5. Assessment of business and commercial machinery and**
14 **equipment.**

15 Notwithstanding any other provision of this code to the
16 contrary, effective July 1, 2013, all business and commercial
17 machinery and equipment assessed under article three of this
18 chapter shall be assessed at salvage value.

19 **§11-28-6. Tax Revenue Act of 2013 Fund created; expenditures.**

20 (a) The "Tax Revenue Act of 2013 Fund" is created by this
21 section within the State Treasury. Revenues generated by an
22 increased tax on the sale of cigarettes and tobacco products, an
23 increased barrel tax on nonintoxicating beer, an increased tax on

1 the sale of liquor, and an increased liter tax on the sale of wine
2 shall be transferred into that special account.

3 (b) Expenditures from the fund shall be for the purposes set
4 forth in this article and are not authorized from general
5 collections but are to be made only in accordance with
6 appropriation by the Legislature and in accordance with article
7 three, chapter twelve of this code and upon fulfillment of article
8 two, chapter eleven-b of this code: *Provided*, That the first \$1
9 million generated by the increased taxes set out in this article
10 shall be directed to the West Virginia Department of Agriculture to
11 assist farmers with tobacco crop replacement programs: *Provided*,
12 *however*, That a county may make application to this fund in an
13 amount equal to the 2012 revenue that was received by the county
14 from the personal property tax on business machinery and equipment.

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17 NOTE: The purpose of this bill is to create the Tax Revenue
18 Act of 2013. The bill increases taxes on tobacco, beer, wine and
19 liquor and provides for assessment of business machinery and
20 equipment at salvage value. It establishes a special account for
21 the increased revenue and provides that the first \$1 million
22 received from the increases be directed to the West Virginia
23 Department of Agriculture to assist farmers with tobacco crop
24 replacement programs. The bill also permits counties to make
25 application for distribution of an amount equal to the 2012 revenue
26 received by the county from the personal property tax on business
27 machinery and equipment.

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30 This article is new; therefore, strike-throughs and
31 underscoring have been omitted.