

Senate Bill No. 534

(By Senators Plymale, Prezioso, Kessler (Mr. President) and
McCabe)

[Introduced February 11, 2014; referred to the Committee on
Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-17-3 of the Code of West Virginia, 1931, as amended, relating to increasing the excise tax on cigarettes and other tobacco products; and providing that the additional revenues be deposited into the West Virginia Medical Services Fund for the next two fiscal years.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 17. TOBACCO PRODUCTS EXCISE TAX ACT.

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

(a) *Tax on cigarettes.* -- ~~For the purpose of providing revenue for the General Revenue Fund of the state,~~ An excise tax is hereby levied and imposed on sales of cigarettes at the rate of ~~55¢~~ \$1.55

1 on each twenty cigarettes or in like ratio on any part thereof.
2 Only one sale of the same article shall be used in computing the
3 amount of tax due under this subsection.

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

15 (1) For the fiscal years 2015 and 2016 only, revenues
16 attributable to the excise tax of 55¢ on each twenty cigarettes or
17 in like ration on any part thereof imposed pursuant to subsection
18 (a) of this section and revenues attributable to the excise tax of
19 seven percent of the wholesale price of each article of tobacco
20 product other than cigarettes imposed pursuant to subsection (b) of
21 this section shall be deposited into the General Revenue Fund. The
22 remaining revenues generated by the tax imposed by subsection (a)
23 of this section and the tax imposed by subsection (b) of this

1 section shall be deposited into the West Virginia Medical Services
2 Fund; and

3 (2) For the fiscal year thereafter, all revenues generated by
4 the tax imposed by subsection (a) of this section and the tax
5 imposed by subsection (b) of this section shall be deposited into
6 the General Revenue Fund.

7 (c) *Effective date.* -- The changes ~~set forth herein to~~ in this
8 section ~~and section four of this article~~ shall become effective ~~May~~
9 ~~1, 2003~~ July 1, 2014.

NOTE: The purpose of this bill is to increase the cigarette tobacco tax. The revenue is to be deposited into the West Virginia Medical Services Fund for the next two fiscal years.

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