

Senate Bill No. 98

(By Senator Carmichael)

[Introduced January 14, 2015; referred to the Committee on Finance.]

**FISCAL
NOTE**

9 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
10 designated §11-28-1, §11-28-2, §11-28-3, §11-28-4, §11-28-5 and §11-28-6, all relating to
11 creating the Tax Revenue Act of 2015; increasing taxes on tobacco, beer, wine and liquor;
12 providing for assessment of business machinery and equipment to be assessed at salvage
13 value; establishing special account for the increased revenue; providing that the first \$1
14 million received from increases be directed to the West Virginia Department of Agriculture
15 to assist farmers with tobacco crop replacement programs; and permitting counties to make
16 application for distribution of an amount equal to the 2014 revenue received by the county
17 from personal property tax on business machinery and equipment.

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

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

1 **ARTICLE 28. TAX REVENUE ACT OF 2015.**

2 **§11-28-1. Increase tax on cigarettes and tobacco products.**

3 (a) Notwithstanding any other provision of this code to the contrary, effective July 1, 2015,
4 the tax imposed on cigarettes by section three, article seventeen of this chapter shall be increased by
5 \$1 on each twenty cigarettes or in like ratio on any part thereof.

6 (b) Notwithstanding any other provision of this code to the contrary, effective July 1, 2015,
7 the tax imposed on the sale or use of tobacco products, other than cigarettes, shall be increased by
8 fifty percent whether sold at retail or wholesale.

9 **§11-28-2. Increase Barrel tax on nonintoxicating beer.**

10 Notwithstanding any other provision of this code to the contrary, effective July 1, 2015, the
11 barrel tax imposed on nonintoxicating beer by section thirteen, article sixteen of this chapter shall
12 be increased by twenty-five percent on each barrel of thirty-one gallons and in like ratio on each part
13 barrel of nonintoxicating beer manufactured in this state for sale within this state, whether contained
14 or sold in barrels, bottles or other containers, and a like tax is hereby levied and imposed upon all
15 nonintoxicating beer manufactured outside of this state and brought into this state for sale within this
16 state.

17 **§11-28-3. Increase liter tax on sale of wine.**

18 Notwithstanding any other provision of this code to the contrary, effective July 1, 2015, the
19 liter tax imposed on wine by section four, article eight, chapter sixty of this code shall be increased
20 by twenty-five percent per liter.

21 **§11-28-4. Increase price of alcoholic liquors.**

1 Notwithstanding any other provision of this code to the contrary, effective July 1, 2015,
2 wholesale prices for the sale of liquor, other than wine, to retail licensees as established by section
3 seventeen, article three-a, chapter sixty of this code shall be increased by twenty-five percent.

4 **§11-28-5. Assessment of business and commercial machinery and equipment.**

5 Notwithstanding any other provision of this code to the contrary, effective July 1, 2015, all
6 business and commercial machinery and equipment assessed under article three of this chapter shall
7 be assessed at salvage value.

8 **§11-28-6. Tax Revenue Act of 2015 Fund created; expenditures.**

9 (a) The “Tax Revenue Act of 2015 Fund” is created by this section within the State Treasury.
10 Revenues generated by an increased tax on the sale of cigarettes and tobacco products, an increased
11 barrel tax on nonintoxicating beer, an increased tax on the sale of liquor, and an increased liter tax
12 on the sale of wine shall be transferred into that special account.

13 (b) Expenditures from the fund shall be for the purposes set forth in this article and are not
14 authorized from general collections but are to be made only in accordance with appropriation by the
15 Legislature and in accordance with article three, chapter twelve of this code and upon fulfillment of
16 article two, chapter eleven-b of this code: *Provided*, That the first \$1 million generated by the
17 increased taxes set out in this article shall be directed to the West Virginia Department of Agriculture
18 to assist farmers with tobacco crop replacement programs: *Provided, however*, That a county may
19 make application to this fund in an amount equal to the 2014 revenue that was received by the county
20 from the personal property tax on business machinery and equipment.

NOTE: The purpose of this bill is to create the Tax Revenue Act of 2015. The bill increases taxes on tobacco, beer, wine and liquor and provides for assessment of business machinery and equipment at salvage value. It establishes a special account for the increased revenue and provides that the first \$1 million received from the increases be directed to the West Virginia Department of Agriculture to assist farmers with tobacco crop replacement programs. The bill also permits counties to make application for distribution of an amount equal to the 2014 revenue received by the county from the personal property tax on business machinery and equipment.

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