

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 604

**FISCAL
NOTE**

BY SENATORS TAKUBO AND STOLLINGS

[Introduced February 15, 2016;

Referred to the Committee on Finance.]

1 A BILL to amend and reenact §11-19-2 of the Code of West Virginia, 1931, as amended, relating
 2 to increasing the excise tax on bottled soft drinks, syrups and dry mixtures; dedicating
 3 eighty percent of the proceeds to the benefit of the four-year School of Medicine, Dentistry
 4 and Nursing of West Virginia University, the Joan C. Edwards School of Medicine of
 5 Marshall University and the West Virginia School of Osteopathic Medicine; and dedicating
 6 twenty percent of the increase to the West Virginia Department of Health and Human
 7 Resources to be used for the expansion of Medicaid beginning in the year 2017.

Be it enacted by the Legislature of West Virginia:

1 That §11-19-2 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

ARTICLE 19. SOFT DRINKS TAX.

§11-19-2. Excise tax on bottled soft drinks, syrups and dry mixtures; disposition thereof.

1 (a) For the purpose of providing revenue for the construction, maintenance and operation
 2 of a four-year school of medicine, dentistry and nursing of West Virginia University, an excise tax
 3 is hereby levied and imposed on and after midnight of June 30, 1951, upon the sale, use, handling
 4 or distribution of all bottled soft drinks and all soft drink syrups, whether manufactured within or
 5 without this state, as follows:

6 (1) On each bottled soft drink, a tax of one cent on each sixteen and nine-tenths fluid
 7 ounces, or fraction thereof, or on each one-half liter, or fraction thereof contained therein.

8 (2) On each gallon of soft drink syrup, a tax of eighty cents, and in like ratio on each part
 9 gallon thereof, or on each four liters of soft drink syrup a tax of eighty-four cents, and in like ratio
 10 on each part four liters thereof.

11 (3) On each ounce by weight of dry mixture or fraction thereof used for making soft drinks,
 12 a tax of one cent or on each 28.35 grams, or fraction thereof, a tax of one cent.

13 b) (1) Notwithstanding the provisions of subsection (a) of this section, an excise tax is
 14 hereby levied and imposed effective July 1, 2016, upon the sale, use, handling or distribution of

15 all bottled soft drinks and all soft drink syrups, whether manufactured within or without this state,
16 so that the total excise tax levied and imposed by this amendment and section shall be as follows:

17 (A) On each bottled soft drink, a tax of five cents on each sixteen and nine-tenths fluid
18 ounces, or fraction thereof, or on each one-half liter, or fraction thereof contained therein.

19 (B) On each gallon of soft drink syrup, a tax of \$4, and in like ratio on each part four liters
20 thereof.

21 (C) On each ounce by weight of dry mixture or fraction thereof used for making soft drinks,
22 a tax of five cents on each 28.35 grams, or fraction thereof.

23 (2) Forty percent of the total amount collected pursuant to this subsection shall be used
24 for the continued maintenance and operation of the four-year school of medicine, dentistry and
25 nursing of West Virginia University.

26 (3) Twenty percent of the total amount collected pursuant to this subsection shall be used
27 for the continued maintenance and operation of the Joan C. Edwards School of Medicine of
28 Marshall University.

29 (4) Twenty percent of the total amount collected pursuant to this subsection shall be used
30 for the continued maintenance and operation of the West Virginia School of Osteopathic Medicine.

31 (5) Twenty percent of the total amount collected pursuant to this subsection shall be used
32 by The West Virginia Department of Health and Human Resources to fund the Medicaid
33 expansion beginning in the year 2017.

34 (c) Any person manufacturing or producing within this state any bottled soft drink or soft
35 drink syrup for sale within this state and any distributor, wholesale dealer or retail dealer or any
36 other person who is the original consignee of any bottled soft drink or soft drink syrup
37 manufactured or produced outside this state, or who brings such drinks or syrups into this state,
38 shall be is liable for the excise tax hereby imposed. The excise tax hereby imposed shall may not
39 be collected more than once in respect to any bottled soft drink or soft drink syrup manufactured,
40 sold, used or distributed in this state.

41 All ~~The~~ revenue collected by the commissioner under the provisions of this article, less
42 ~~such~~ the costs of administration as are hereinafter provided for, shall be paid by him or her (1)
43 into a special medical school fund, which is hereby created in the State Treasury, to be used
44 solely for the ~~construction~~, maintenance and operation of the four-year school of medicine,
45 dentistry and nursing of West Virginia University, the Joan C. Edwards School of Medicine of
46 Marshall University, the West Virginia School of Osteopathic Medicine; and (2) into a special
47 Medicaid fund, which is hereby created in the State Treasury, to be used solely to fund the
48 Medicaid expansion beginning in the year 2017, as otherwise provided by law.

NOTE: The purpose of this bill is to increase the excise tax on bottled soft drinks, syrups and dry mixtures; and dedicate the proceeds to the benefit of the four-year school of medicine, dentistry and nursing of West Virginia University, the Joan C. Edwards School of Medicine of Marshall University, the West Virginia School of Osteopathic Medicine and the West Virginia Department of Health and Human Resources to be used for the expansion of Medicaid beginning in the year 2017. The increase is from one cent to five cents on the bottled soft drinks and proportionally on syrups and dry mixtures.

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