

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 2634

FISCAL
NOTE

2015 Carryover

(BY DELEGATES PERDUE, PERRY, GUTHRIE AND
MORGAN)

[Introduced January 13, 2016; referred to the
Committee on Health and Human Resources then
Finance.]

1 A BILL to amend and reenact §11-17-3 of the Code of West Virginia, 1931, as amended, relating
 2 to increasing the excise tax on cigarettes and all other tobacco products; establishing a
 3 special revenue account; and designating where the additional revenues are to be
 4 transferred.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 17. TOBACCO PRODUCTS EXCISE TAX ACT.

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

1 (a) ~~Tax on cigarettes.~~ For the purpose of providing revenue for the General Revenue
 2 Fund of the state, An excise tax is hereby levied and imposed on sales of cigarettes at the rate of
 3 ~~55¢~~ \$1.55 on each twenty cigarettes or in like ratio on any part thereof. Only one sale of the
 4 same article shall be used in computing the amount of tax due under this subsection.

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

12 (c) ~~Effective date.~~ The changes set forth herein to this section and section four of this
 13 article shall become effective May 1, 2003. Of the increase in revenues collected pursuant to
 14 this section, the first \$90 million per year for ten years shall be designated to the Bureau for
 15 Medical Services or its successor agency; adding \$6 million annually for tobacco control; \$1

16 million per year for five years shall be designated to the West Virginia University School of Public
17 Health. Any additional moneys in the fund are to be expended as follows: Thirty percent shall
18 be designated for oral health improvement programming; thirty percent shall be designated for
19 substance abuse prevention and treatment programming; twenty-four percent shall be designated
20 for in-home elderly care services; and sixteen percent shall be designated to fund early childhood
21 development programming.

22 (d) Each of the funds or programs receiving funds in subsection (c) shall provide a report
23 to the Legislative Oversight Commission on Health and Human Resources Accountability on the
24 use of funds every three years.

NOTE: The purpose of this bill is to raise the tax on tobacco and tobacco related products.

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