

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 139

**FISCAL
NOTE**

BY SENATORS PLYMALE, KESSLER, BEACH, MILLER AND

STOLLINGS

[Introduced January 13, 2016;

Referred to the Committee on Health and Human

Resources; and then to the Committee on Finance.]

1 A BILL to amend and reenact §11-17-3 of the Code of West Virginia, 1931, as amended, relating
 2 to increasing tobacco tax in order to provide additional revenue for Public Employees
 3 Insurance Agency's health plans for public employees.

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 An excise tax is hereby levied and imposed on sales of cigarettes at the rate
 3 of ~~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. Beginning
 5 July 1, 2016, the new revenue generated by the \$1 increase made during the 2016 Regular
 6 Legislative Session shall be dedicated to the employer share of the aggregate premium cost-
 7 sharing for the Public Employees Insurance Agency required by article sixteen, chapter five of
 8 this code with respect to public employees health care services.

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

16 (c) ~~Effective date.~~ -- ~~The changes set forth herein to this section and section four of this~~
 17 ~~article shall become effective May 1, 2003.~~

NOTE: The purpose of this bill is to increase the tobacco tax to support PEIA.

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