

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 362**

4 (By Senators Prezioso, Foster, McCabe and Kessler (Acting
5 President))

6 _____
7 [Originating in the Committee on Health and Human Resources;
8 reported February 18, 2011.]
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12 A BILL to amend and reenact §11-17-3 of the Code of West Virginia,
13 1931, as amended, relating to increasing the excise tax on
14 cigarettes and all other tobacco products; establishing a
15 special revenue account; and designating where the additional
16 revenues are to be transferred.

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

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

20 **ARTICLE 17. CIGARETTE TAX ACT.**

21 **§11-17-3. Levy of tax; ratio; dedication of proceeds; funds.**

22 (a) *Tax on cigarettes.* -- ~~For the purpose of providing revenue~~
23 ~~for the General Revenue Fund of the state,~~ An excise tax is hereby
24 levied and imposed on sales of cigarettes at the rate of ~~fifty-five~~
25 ~~cents~~ \$1.55 on each twenty cigarettes or in like ratio on any part

1 thereof. Only one sale of the same article shall be used in
2 computing the amount of tax due under this subsection.

3 (b) *Tax on tobacco products other than cigarettes.* --
4 ~~Effective the first day of January, two thousand two,~~ An excise tax
5 is hereby levied and imposed on the sale or use of, other than
6 cigarettes, tobacco products at a rate equal to ~~seven~~ 50 percent of
7 the wholesale price of each article or item of tobacco product
8 other than cigarettes sold by the wholesaler or subjobber dealer,
9 whether or not sold at wholesale, or if not sold, then at the same
10 rate upon the use by the wholesaler or dealer. Only one sale of the
11 same article shall be used in computing the amount of tax due under
12 this subsection. ~~Revenues received from this tax shall be deposited~~
13 ~~into the General Revenue Fund.~~

14 (c) Effective date. -- The changes set forth herein to this
15 section and section four of this article shall become effective ~~the~~
16 ~~first day of May two thousand three~~ July 1, 2011.

17 (d) Of the increase in revenues collected pursuant to this
18 section, \$50 million per year for ten years shall be deposited in
19 the West Virginia Retiree Health Benefit Trust Fund created in
20 section two, article sixteen-d, chapter five of this code for the
21 purpose of funding other post-employment benefits and must be held
22 in trust and not expended during the ten year period; \$40 million
23 per year for ten years shall be designated to West Virginia
24 Medicaid; adding \$6 million annually for tobacco control; \$1
25 million per year for five years shall be designated to the West
26 Virginia University School of Public Health. Any additional monies

1 in the fund are to be expended as follows: 30 percent shall be
2 designated for oral health improvement programming; 30 percent
3 shall be designated for substance abuse prevention and treatment
4 programming; 24 percent shall be designated for in-home elderly
5 care services; and 16 percent shall be designated to fund early
6 childhood development programming.

7 (e) Each of the funds or programs receiving funds in
8 subsection (d) shall provide a report to the Legislative Oversight
9 Commission on Health and Human Resources Accountability on the use
10 of funds every three years.

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