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H. B. 4191

(By Delegates Perdue, Fleischauer, Eldridge,
Kinsey, Marshall and Moore)

[Introduced January 15, 2014; referred to the
Committee on Health and Human Resources then Finance.]

**FISCAL
NOTE**

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

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 17. TOBACCO PRODUCTS EXCISE TAX ACT.

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

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

1 amount of tax due under this subsection.

2 (b) ~~Tax on tobacco products other than cigarettes.~~

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

13 (c) ~~Effective date.~~ ~~The changes set forth herein to this~~
14 ~~section and section four of this article shall become effective May~~
15 ~~1, 2003.~~ Of the increase in revenues collected pursuant to this
16 section, the first \$90 million per year for ten years shall be
17 designated to the Bureau for Medical Services or its successor
18 agency; adding \$6 million annually for tobacco control; \$1 million
19 per year for five years shall be designated to the West Virginia
20 University School of Public Health. Any additional moneys in the
21 fund are to be expended as follows: Thirty percent shall be
22 designated for oral health improvement programming; thirty percent
23 shall be designated for substance abuse prevention and treatment

1 programming; twenty-four percent shall be designated for in-home
2 elderly care services; and sixteen percent shall be designated to
3 fund early childhood development programming.

4 (d) Each of the funds or programs receiving funds in
5 subsection (c) shall provide a report to the Legislative Oversight
6 Commission on Health and Human Resources Accountability on the use
7 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.