

**Senate Bill No. 302**

(By Senator Carmichael)

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[Introduced January 8, 2014; referred to the Committee on  
Finance.]  
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**FISCAL  
NOTE**

10 A BILL to amend the Code of West Virginia, 1931, as amended, by  
11 adding thereto a new article, designated §11-28-1, §11-28-2,  
12 §11-28-3, §11-28-4, §11-28-5 and §11-28-6, all relating to  
13 creating the Tax Revenue Act of 2014; increasing taxes on  
14 tobacco, beer, wine and liquor; providing for assessment of  
15 business machinery and equipment to be assessed at salvage  
16 value; establishing a special account for the increased  
17 revenue; providing that the first \$1 million received from the  
18 increases be directed to the West Virginia Department of  
19 Agriculture to assist farmers with tobacco crop replacement  
20 programs; and permitting counties to make application for  
21 distribution of an amount equal to the 2013 revenue received  
22 by the county from the personal property tax on business  
23 machinery and equipment.

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

2       That the Code of West Virginia, 1931, as amended, be amended  
3 by adding thereto a new article, designated §11-28-1, §11-28-2,  
4 §11-28-3, §11-28-4, §11-28-5 and §11-28-6, all to read as follows:

5 **ARTICLE 28. TAX REVENUE ACT OF 2014.**

6 **§11-28-1. Increase tax on cigarettes and tobacco products.**

7       (a) Notwithstanding any other provision of this code to the  
8 contrary, effective July 1, 2014, the tax imposed on cigarettes by  
9 section three, article seventeen of this chapter shall be increased  
10 by \$1 on each twenty cigarettes or in like ratio on any part  
11 thereof.

12       (b) Notwithstanding any other provision of this code to the  
13 contrary, effective July 1, 2014, the tax imposed on the sale or  
14 use of tobacco products, other than cigarettes, shall be increased  
15 by fifty percent whether sold at retail or wholesale.

16 **§11-28-2. Increase Barrel tax on nonintoxicating beer.**

17       Notwithstanding any other provision of this code to the  
18 contrary, effective July 1, 2014, the barrel tax imposed on  
19 nonintoxicating beer by section thirteen, article sixteen of this  
20 chapter shall be increased by twenty-five percent on each barrel of  
21 thirty-one gallons and in like ratio on each part barrel of  
22 nonintoxicating beer manufactured in this state for sale within  
23 this state, whether contained or sold in barrels, bottles or other

1 containers, and a like tax is hereby levied and imposed upon all  
2 nonintoxicating beer manufactured outside of this state and brought  
3 into this state for sale within this state.

4 **§11-28-3. Increase liter tax on sale of wine.**

5 Notwithstanding any other provision of this code to the  
6 contrary, effective July 1, 2014, the liter tax imposed on wine by  
7 section four, article eight, chapter sixty of this code shall be  
8 increased by twenty-five percent per liter.

9 **§11-28-4. Increase price of alcoholic liquors.**

10 Notwithstanding any other provision of this code to the  
11 contrary, effective July 1, 2014, wholesale prices for the sale of  
12 liquor, other than wine, to retail licensees as established by  
13 section seventeen, article three-a, chapter sixty of this code  
14 shall be increased by twenty-five percent.

15 **§11-28-5. Assessment of business and commercial machinery and  
16 equipment.**

17 Notwithstanding any other provision of this code to the  
18 contrary, effective July 1, 2014, all business and commercial  
19 machinery and equipment assessed under article three of this  
20 chapter shall be assessed at salvage value.

21 **§11-28-6. Tax Revenue Act of 2014 Fund created; expenditures.**

22 (a) The "Tax Revenue Act of 2014 Fund" is created by this

1 section within the State Treasury. Revenues generated by an  
2 increased tax on the sale of cigarettes and tobacco products, an  
3 increased barrel tax on nonintoxicating beer, an increased tax on  
4 the sale of liquor, and an increased liter tax on the sale of wine  
5 shall be transferred into that special account.

6 (b) Expenditures from the fund shall be for the purposes set  
7 forth in this article and are not authorized from general  
8 collections but are to be made only in accordance with  
9 appropriation by the Legislature and in accordance with article  
10 three, chapter twelve of this code and upon fulfillment of article  
11 two, chapter eleven-b of this code: *Provided*, That the first \$1  
12 million generated by the increased taxes set out in this article  
13 shall be directed to the West Virginia Department of Agriculture to  
14 assist farmers with tobacco crop replacement programs: *Provided*,  
15 *however*, That a county may make application to this fund in an  
16 amount equal to the 2013 revenue that was received by the county  
17 from the personal property tax on business machinery and equipment.

NOTE: The purpose of this bill is to create the Tax Revenue Act of 2014. The bill increases taxes on tobacco, beer, wine and liquor and provides for assessment of business machinery and equipment at salvage value. It establishes a special account for the increased revenue and provides that the first \$1 million received from the increases be directed to the West Virginia Department of Agriculture to assist farmers with tobacco crop replacement programs. The bill also permits counties to make application for distribution of an amount equal to the 2013 revenue

received by the county from the personal property tax on business machinery and equipment.

This article is new; therefore, strike-throughs and underscoring have been omitted.