

H. B. 2634

(By Delegates Perdue, Perry, Guthrie and Morgan)

[Introduced February 6, 2015; referred to the

Committee on Health and Human Resources then Finance.]

**FISCAL  
NOTE**

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

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

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

16 ARTICLE 17. TOBACCO PRODUCTS EXCISE TAX ACT.

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

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

(b) *Tax on tobacco products other than cigarettes.* — Effective January 1, 2002, An excise

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

7       (c) *Effective date.* -- The changes set forth herein to this section and section four of this  
8 article shall become effective May 1, 2003. Of the increase in revenues collected pursuant to this  
9 section, the first \$90 million per year for ten years shall be designated to the Bureau for Medical  
10 Services or its successor agency; adding \$6 million annually for tobacco control; \$1 million per year  
11 for five years shall be designated to the West Virginia University School of Public Health. Any  
12 additional moneys in the fund are to be expended as follows: Thirty percent shall be designated for  
13 oral health improvement programming; thirty percent shall be designated for substance abuse  
14 prevention and treatment programming; twenty-four percent shall be designated for in-home elderly  
15 care services; and sixteen percent shall be designated to fund early childhood development  
16 programming.

17       (d) Each of the funds or programs receiving funds in subsection (c) shall provide a report to  
18 the Legislative Oversight Commission on Health and Human Resources Accountability on the use  
19 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.