

# WEST VIRGINIA LEGISLATURE

## 2018 REGULAR SESSION

Introduced

### House Bill 4543

FISCAL  
NOTE

BY DELEGATES BYRD, CAPUTO, BOGGS, BATES,  
BARRETT, LONGSTRETH, LOVEJOY, FLUHARTY, DISERIO,  
ROBINSON, AND THOMPSON

[Introduced February 13, 2018; Referred  
to the Committee on Prevention and Treatment of  
Substance Abuse then Finance.]

1 A BILL to amend the Code of West Virginia, 1931 as amended, by adding thereto a new article,  
 2 designated §11-18-1, relating to imposing a special excise tax on Schedule II controlled  
 3 drugs; providing legislative findings; requiring licensed pharmacies of the state to collect  
 4 the tax; using a portion of tax to fund drug abuse treatment; using a portion of the tax to  
 5 fund public employees' insurance costs; and requiring Tax Commissioner to administer  
 6 and collect the tax and promulgate rules relating thereto.

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

**ARTICLE 18. EXCISE TAX ON SCHEDULE II DRUGS TO FIGHT DRUG ABUSE AND  
 FUND STATE EMPLOYEE CONTRIBUTIONS TO PEIA.**

**§11-18-1. Collection of fee for sales of Schedule II controlled substances to state  
 pharmacies; proceeds of tax to fight substance abuse and fund public employees'  
 insurance premiums.**

1 (a) Legislative findings- The Legislature finds that Schedule II controlled substances have  
 2 contributed to the drug abuse epidemic and spiraling health costs for the citizens of West Virginia,  
 3 and a special excise tax on the sales of these drugs should be paid by all pharmaceutical  
 4 companies selling Schedule II drugs in this state, and that the proceeds should be used to help  
 5 West Virginia citizens addicted to drugs; and further, to also use proceeds of this tax to assist  
 6 state employees pay their insurance premiums, as their health insurance costs have skyrocketed  
 7 in part by costs associated with the abuse and inflationary pricing of these drugs.

8 (b) There is therefore imposed an excise tax of five cents on each pill purchased by or for  
 9 any licensed pharmacy in this state for all Schedule II drugs, as defined in §60A-2-206 of this  
 10 code, to be collected from pharmaceutical manufacturers or distributors selling Schedule II drugs  
 11 to licensed pharmacies in this state, and collected by and remitted to the Tax Commissioner by  
 12 pharmacies licensed and doing business in the State of West Virginia. Each pharmacy shall  
 13 periodically remit the tax collected to the Tax Commissioner pursuant to legislative or

- 14 interpretative rules as promulgated for the tax's collection by the commissioner pursuant to  
15 Chapter 29A of this code, to be deposited by the commissioner upon collection, as follows:  
16 (1) Fifty percent of all moneys collected shall be deposited into the Fight Substance Abuse  
17 Fund created by §60A-9-8 of this code; and  
18 (2) Fifty percent of all moneys collected shall be deposited into the Public Employees  
19 Insurance Agency Stability Fund and expended pursuant to §11B-2-32 of this code.

NOTE: The purpose of this bill is to impose an excise tax on Schedule II controlled drugs on drug manufacturers and distributors selling these drugs in the state. The tax would fund substance abuse treatment and help pay public employees' insurance premiums.

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