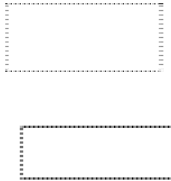


**H. B. 2746**

(By Delegates Perdue, Hatfield, Marshall,  
Michael, Moore and Rodighiero)

[Introduced February 23, 2009; referred to the  
Committee on Health and Human Resources then Finance.]



A BILL to amend and reenact §11-17-3 of the Code of West Virginia, 1931, as amended, relating generally to raising the excise tax on cigarettes and all other tobacco products and establishing a special revenue account.

*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. CIGARETTE 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 ~~fifty five cents~~ one dollar and twenty cents 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 amount of tax due under this subsection.

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

(c) *Effective date.* -- The changes set forth herein to this section and section four of this article shall become effective ~~the first day of May two thousand three~~ July 1, 2009.

(d) One half of all moneys collected pursuant to this section shall be deposited in a special account in the State Treasury to be known as the "Governors Office of Health Enhancement and Lifestyle Planning Fund". Expenditures from the fund shall be for the purposes set forth in section one, article sixteen-e, chapter thirty-three of this code and are not authorized from collections but are to be made only in accordance with appropriation by the Legislature and in accordance with the provisions of article two,

chapter eleven-b of this code: *Provided*, That for the fiscal year ending June 30, 2009, expenditures are authorized from collections rather than pursuant to appropriation by the Legislature. The remaining one half of the collection not placed in this special account shall be deposited in the General Revenue Fund.

NOTE: The purpose of this bill is to raise the cigarette tax to the national average, to raise the tax on other tobacco products to fourteen percent of their wholesale price and to establish a special revenue account to fund the Governor's Office of Health System Improvement. This bill was recommended for passage during the 2009 Regular Session by Select Committee D on Health.

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