

**DEPARTMENT OF TAXATION
2002 Fiscal Impact Statement**

1. Patron Whipple

3. Committee Senate Finance

4. Title Local Cigarette Tax: Statewide for Localities

2. Bill Number SB 385

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would allow all counties, cities and towns to impose a local cigarette tax.

The effective date of this bill is not specified.

6. No Fiscal Impact or Fiscal Impact: (See Line 8)

7. Budget amendment necessary: No

8. Fiscal implications:

This bill would increase local revenues while having only a minor impact on state revenues.

9. Specific agency or political subdivisions affected:

All counties, cities, and towns not currently imposing a local cigarette tax.

10. Technical amendment necessary: No

11. Other comments:

This bill repeals the provision in Virginia law that limits the authority of counties, cities and towns to impose local cigarette taxes. Currently, only localities with such authority prior to 1997 can impose a cigarette tax. At the present time, two counties, twenty-three cities and twenty-one towns impose a cigarette tax. Only the counties of Arlington and Fairfax are limited, at 5 cents per pack, in the amount of tax that can be imposed. Under this bill, all localities would be allowed to impose a cigarette tax.

cc : Secretary of Finance

