

DEPARTMENT OF TAXATION 2003 Fiscal Impact Statement

1. **Patron** Quayle

2. **Bill Number** SB 900

3. **Committee** Senate Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Local Cigarette Tax: Statewide for Counties

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would allow all counties to impose a local cigarette tax.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Not available. (See Line 8.)

7. Budget amendment necessary: No

8. Fiscal implications:

This bill would increase the local tax revenue of all counties that chose to implement the tax this bill authorizes. Because the cigarette tax is included in the price on which the sales tax is computed, sales tax revenue would increase if counties choose to impose or increase local cigarette tax.

9. Specific agency or political subdivisions affected:

All localities.

10. Technical amendment necessary: None.

11. Other comments:

At the present time, two counties, twenty-two cities and twenty-two 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.

Other Legislation

House Bill 2025 would allow all counties to impose a local cigarette tax not to exceed 50 cents per pack. All additional revenues would be used solely for capital projects for public schools and public school infrastructure improvements.

House Bill 2026 would allow Arlington and Fairfax Counties to increase their cigarette tax from 5 cents to 50 cents per pack with the additional revenue to be used solely for capital projects for public school construction and public school infrastructure improvements.

House Bill 2247 would increase the state tax on cigarettes from 2 ½ per pack to 25 cents per pack. The bill would also allow localities to impose a local cigarette tax of up to 50 cents per pack.

House Bill 2531 would allow Arlington and Fairfax Counties to increase its cigarette tax from 5 cents to 30 cents per pack.

Senate Bill 901 would allow Isle of Wight County to impose a local cigarette tax not to exceed 5 cents per pack.

cc : Secretary of Finance

Date: 01/17/03

Document : S:\2003leg\WorkInProgress\OTPwork\Senate Bills\SB0900F161.doc