

## 2005 SESSION

ENROLLED

### HOUSE JOINT RESOLUTION NO. 664

*Requesting the Department of Taxation to study the use of tax stamps by Virginia's localities as evidence of the payment of local cigarette taxes by wholesalers. Report.*

Agreed to by the House of Delegates, February 5, 2005

Agreed to by the Senate, February 24, 2005

WHEREAS, the Commonwealth of Virginia imposes a state cigarette tax of \$0.20 per pack of cigarettes sold in the Commonwealth of Virginia; and

WHEREAS, the Department of Taxation collects the tax from tobacco wholesalers and the payment of the tax is indicated by the use of tax stamps; and

WHEREAS, 29 cities, two counties, and 32 towns imposed a local cigarette tax at tax rates ranging from \$0.03 per pack to \$0.65 per pack; and

WHEREAS, the 63 localities that impose local cigarette taxes use a variety of methods to collect their local cigarette taxes; and

WHEREAS, there need not be two different and costly methods and procedures to ensure that both taxes are paid on the same package of cigarettes; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Taxation be requested to study the use of tax stamps by Virginia's localities as evidence of the payment of local cigarette taxes by wholesalers and whether a single stamp could be issued for evidence that both taxes have been paid.

In conducting its study, the Department of Taxation shall examine the feasibility of establishing uniformity and consistency among the counties, cities, and towns of the Commonwealth in the design and use of tax stamps or other evidence of payment of local cigarette taxes by tobacco wholesalers. The Department of Taxation shall seek input from the Virginia Municipal League, the Virginia Association of Counties, the Virginia Retail Merchants Association, the Virginia Wholesalers, the Distributors Association, and other interested parties.

All agencies of the Commonwealth shall provide assistance to the Department of Taxation for this study, upon request.

The Department of Taxation shall complete its meetings by November 30, 2005, and shall submit to the Governor and the General Assembly an executive summary and a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports no later than the first day of the 2006 Regular Session of the General Assembly and shall be posted on the General Assembly's website.

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