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SENATE BILL NO. 1314

Offered January 11, 2017

Prefiled January 10, 2017

A *BILL to amend the Code of Virginia by adding sections numbered 58.1-603.2, 58.1-604.02, and 58.1-638.4, relating to retail sales and use tax; spirits sold at government stores.*

Patron—Carrico

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding sections numbered 58.1-603.2, 58.1-604.02, and 58.1-638.4 as follows:

§ 58.1-603.2. Additional state sales tax on spirits.

A. As used in this section:

*"Spirits" has the same meaning as set forth in § 4.1-100.**"Government store" has the same meaning as set forth in § 4.1-100, and includes government stores established on a distiller's licensed premises pursuant to subsection D of § 4.1-119.*

B. In addition to the sales tax imposed pursuant to §§ 58.1-603 and 58.1-603.1, there is hereby levied and imposed a retail sales tax at the rate of one percent on spirits sold at a government store. Such tax shall be added to the total rate of the state sales tax imposed pursuant to this chapter in the locality in which the government store is located and shall be subject to all of the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax imposed by this section. Such tax shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax under § 58.1-603.

C. The revenue generated and collected pursuant to the tax authorized under this section, less the applicable portion of any refunds to taxpayers, shall be deposited by the Comptroller into the Supplemental Public Safety Fund established pursuant to § 58.1-638.4.

§ 58.1-604.02. Additional state use tax on spirits.

A. As used in this section:

*"Spirits" has the same meaning as set forth in § 4.1-100.**"Government store" has the same meaning as set forth in § 4.1-100, and includes government stores established on a distiller's licensed premises pursuant to subsection D of § 4.1-119.*

B. In addition to the use tax imposed pursuant to §§ 58.1-604 and 58.1-604.01, there is hereby levied and imposed a retail use tax at the rate of one percent on spirits sold at a government store. Such tax shall be added to the total rate of the state sales tax imposed pursuant to this chapter in the locality in which the spirits are used or consumed and shall be subject to all of the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax imposed by this section. Such tax shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax under § 58.1-604.

C. The revenue generated and collected pursuant to the tax authorized under this section, less the applicable portion of any refunds to taxpayers, shall be deposited by the Comptroller into the Supplemental Public Safety Fund established pursuant to § 58.1-638.4.

§ 58.1-638.4. Supplemental Public Safety Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Supplemental Public Safety Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund pursuant to §§ 58.1-603.2 and 58.1-604.02 shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely to fund initiatives specifically identified in a general appropriation act that are designed to support law-enforcement personnel and the carrying out of official law-enforcement duties. Expenditures and disbursements from the Fund shall be made as specified in the general appropriation act.

INTRODUCED

SB1314