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HOUSE BILL NO. 1946

Offered January 9, 2019

Prefiled January 6, 2019

A BILL to amend and reenact §§ 58.1-3830 and 58.1-3831 of the Code of Virginia, relating to local cigarette tax; authority of certain counties; use of proceeds for school construction.

Patron—Campbell, J.L.

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-3830 and 58.1-3831 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-3830. Local taxes not prohibited; use of dual die or stamp to evidence payment of both county, city, or town and state tax on cigarettes.

A. No provision of Chapter 10 (§ 58.1-1000 et seq.) of this title shall be construed to deprive counties, cities, and towns of the right to levy taxes upon the sale or use of cigarettes, ~~provided such county, city or town had such power prior to January 1, 1977.~~ The governing body of any county, city, or town ~~which~~ that levies a cigarette tax and permits the use of meter impressions or stamps to evidence its payment may authorize an officer of the county, city, or town or joint enforcement authority to enter into an arrangement with the Department of Taxation under which a tobacco wholesaler who so desires may use a dual die or stamp to evidence the payment of both the county, city, or town tax, and the state tax, and the Department is hereby authorized to enter into such an arrangement. The procedure under such an arrangement shall be such as may be agreed upon by and between the authorized county, city, town or joint enforcement authority officer and the Department.

B. Any county cigarette tax imposed shall not apply within the limits of any town located in such county where such town ~~now, or hereafter,~~ imposes a town cigarette tax. However, if the governing body of any such town shall provide that a county cigarette tax, as well as the town cigarette tax, shall apply within the limits of such town, then such cigarette tax may be imposed by the county within such town.

§ 58.1-3831. County cigarette tax.

~~Fairfax and Arlington Counties~~ A. Any county shall have the power to levy tax upon the sale or use of cigarettes. Such tax shall be in such amount and on such terms as the governing body may by ordinances prescribe, not to exceed five cents (\$0.05) per pack or the amount levied under state law, whichever is greater. The provisions of § 58.1-3830 shall apply to ~~such~~ counties, mutatis mutandis.

B. Any county, ~~except Arlington and Fairfax Counties,~~ that imposes a tax pursuant to this section shall dedicate all revenues from such tax to school construction. For purposes of this section, "school construction" includes the costs of building, improving, adding to, renovating, extending and replacing the land, appurtenances, machinery and equipment, rights-of-way, landscaping, utilities, approaches, roads, and facilities of an elementary or secondary school in the county imposing the tax; however, a county shall not use revenues raised pursuant to this section to replace funds that would have otherwise been dedicated to school construction.

INTRODUCED

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