

2004 SPECIAL SESSION I

INTRODUCED

041850448

HOUSE BILL NO. 5016

Offered April 5, 2004

A BILL to amend and reenact § 58.1-1001 of the Code of Virginia, relating to the state cigarette tax.

Patron—Orrock

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-1001 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-1001. Tax levied; rate; transitional procedures; bonds and letters of credit.

A. ~~In~~ Through July 31, 2004, in addition to all other taxes now imposed by law, every person within this Commonwealth who sells, stores or receives cigarettes made of tobacco or any substitute thereof, for the purpose of distribution to any person within this Commonwealth, shall pay to this Commonwealth an excise tax of one and one-quarter mills on each such cigarette. Beginning August 1, 2004, the rate of such excise tax shall be three-quarters of one cent on each such cigarette.

B. The Tax Commissioner shall establish guidelines and rules for the transitional procedures regarding the imposition of the increased cigarette tax rate under this section. The guidelines and rules issued by the Tax Commissioner regarding the imposition of the increased cigarette tax rate shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).

C. The Tax Commissioner, in his sole discretion, may accept (i) a bond with a corporate surety or (ii) an irrevocable letter of credit from any person holding a current permit issued pursuant to § 58.1-1011 and provide to that person Virginia revenue stamps without concurrent payment of the tax imposed under this chapter. The Tax Commissioner shall establish guidelines and rules for such bonds and letters of credit. Such guidelines and rules shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.). The Tax Commissioner, in his sole discretion, may require any person to pay the tax imposed under this chapter concurrent with obtaining revenue stamps from the Department, regardless of whether or not such person has filed or agreed to file a bond or letter of credit.

2. That the provisions of this act shall become effective on August 1, 2004.

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