



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** MAY 7, 2014

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** RASHAD M. YOUNG, CITY MANAGER/s/

**DOCKET TITLE:**

Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Amend and Reordain Section 3-2-102 (Levy and Rate) of Article I (Tax on Sale of Cigarettes) of Chapter 2 (Taxation) of Title 3 (Finance, Taxation and Procurement) of the Code of the City of Alexandria, Virginia, 1981, as Amended.

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**ISSUE:** Consideration of an ordinance to amend and reordain Section 3-2-102 (LEVY AND RATE) of Article I (TAX ON SALE OF CIGARETTES) of Chapter 2 (TAXATION) of Title 3 (FINANCE, TAXATION AND PROCUREMENT) of the Code of the City of Alexandria, Virginia, 1981, as amended.

**RECOMMENDATION:** That City Council pass the proposed ordinance (Attachment II) on the first reading on Tuesday, May 13 and schedule the ordinance for public hearing, second reading and final passage on Saturday, May 17, 2014.

**DISCUSSION:** As part of the City's FY 2015 budget development process, City Council increased the cigarette tax rate from \$1.00 to \$1.15 per pack to generate additional revenue to support City services. The increase will become effective July 1, 2014.

**FISCAL IMPACT:** The additional \$0.15 increase per pack is estimated to produce an additional \$210,000 in revenues for FY 2015.

**ATTACHMENTS:**

Attachment I: Cigarette Tax Ordinance Cover  
Attachment II: Cigarette Tax Ordinance

**STAFF:**

Laura B. Triggs, Chief Financial Officer/Director of Finance  
Nelsie L. Smith, Director, Office of Management and Budget  
Christina Zechman-Brown, Assistant City Attorney