



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** APRIL 29, 2016

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

**FROM:** MARK B. JINKS, 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 increase the City's cigarette tax from \$1.15 to \$1.26 per pack.

**RECOMMENDATION:** That City Council pass the proposed ordinance on first reading on May 5, and schedule for public hearing, second reading and final passage on May 14. The new fee will be effective July 1, 2016.

**DISCUSSION:** As part of the City's FY 2017 Add/Delete process, City Council proposed increasing the City's cigarette tax rate from \$1.15 per pack to \$1.26 per pack to generate additional revenue to support City health-related initiatives. The increase will become effective July 1, 2016.

**FISCAL IMPACT:** The 11 cent increase per pack is estimated to produce an additional \$160,555 in revenues for health-related initiatives in FY 2017.

**ATTACHMENTS:**

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

**STAFF:**

Laura B. Triggs, Deputy City Manager  
Morgan Routt, Director, Office of Management and Budget

Kendel Taylor, Director, Finance Department