



Legislation Text

File #: 14-5252, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 14, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Public Hearing, Second Reading, and Final Passage 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. [ROLL-CALL VOTE]

ISSUE: Consideration of an ordinance to increase the City's cigarette tax from \$1.15 to \$1.26 per pack.

RECOMMENDATION: That City Council hold a public hearing and pass the proposed ordinance on Saturday, May 14, 2016. The ordinance 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