

Blue Ridge Cigarette Tax Board

September 2023



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Regional Cigarette Tax Board

How It Works

- ❑ Blue Ridge Cigarette Tax Board established October 2021. Members are Albemarle, Augusta, Fluvanna, Greene, Madison, and Orange counties; Charlottesville; Town of Madison
- ❑ New local taxes levied effective Jan. 2022
- ❑ Work with about 25-30 distributors who submit monthly reports on sales and remit revenue, designated by jurisdiction, minus 2% discount
- ❑ TJPDC tracks/reconciles stamp purchases/pack sales/revenues
- ❑ TJPDC distributes revenue to BRCTB members, net actual administrative costs and any adjustments on a monthly basis

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Regional Cigarette Tax Board

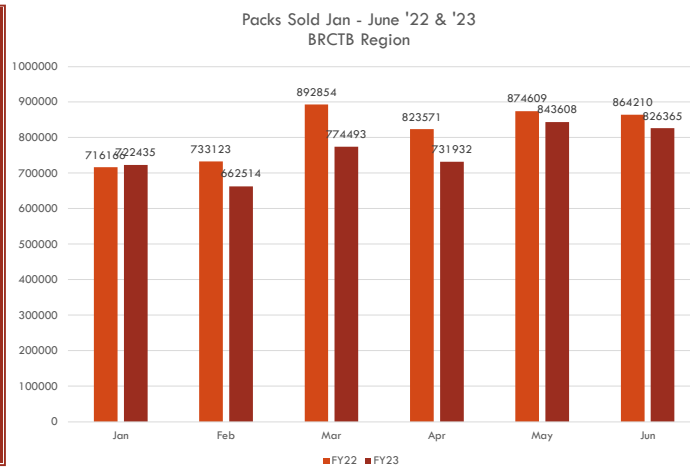
Cigarette Sales and Tax Revenue Generated

- July 2023 revenue: ~\$271,000
- Jan – June 2023: ~\$1.38 million
- Total packs sold (Jan – June): ~4.5 million
- Admin costs (Jan - June): ~\$53,000
- Of note:
 - Overall, packs sold and revenues are slightly declining year over year
 - Expenses continue to track below initial projections

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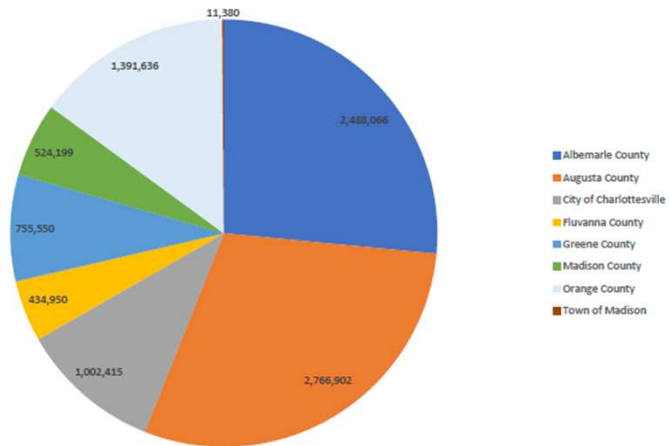
Packs Sold Jan – June FY22 & FY23 Comparison



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FY23 Total
Packs Sold
by
Jurisdiction



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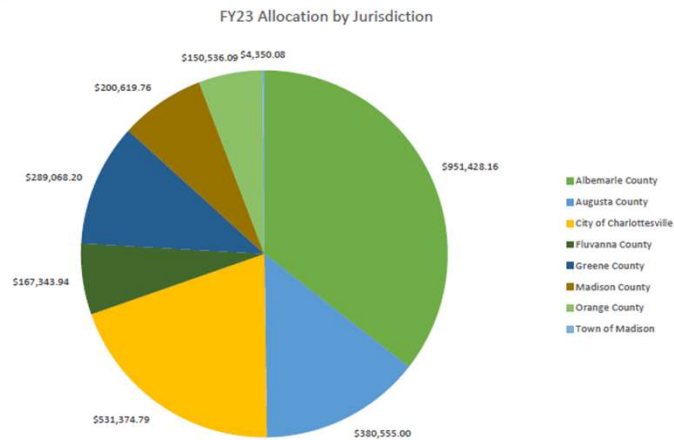
Total
Allocation
Jan – June
FY22 &
FY23
Comparison



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FY23 Allocation by Jurisdiction



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What's New with the Board?

- Board met twice (April and July)
- Approved FY24 budget of \$2,540,980
- Set the reserve fund amount at \$40,000; initial return to be based on start-up packs sold ratio; future distributions to be based on the packs sold ratio in effect for the relevant month
- Approved a policy on erroneous collections of cigarette taxes
- Approved investment of BRCTB funds with the Virginia Investment Pool (VIP)

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Compliance Efforts

- Goal: Initial goal to educate, inform and work with retailers/distributors to ensure compliance
- Over 220 retailers visited over past year
- Most retailers are in compliance or are working toward compliance
- June: “Reminders” memo on reporting and compliance issues and debuted web-based address verification app

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What's Ahead?

- Board to formalize process/procedures to guide compliance measures
- All retailers expected to be in full compliance by end of 2023
- Distributor registration/permitting process to be tightened for CY24
- Meeting of the four regional boards and a “stamping process” field trip (Fall?)

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<https://tjcdc.org/brcb/>