

Blue Ridge Cigarette Tax Board

April 2024



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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
- ❑ As administrator for the BRCTB, TJPDC works with 25-30 distributors who submit monthly reports on sales and remit revenue designated by jurisdiction.
- ❑ TJPDC tracks/reconciles stamp purchases/pack sales/revenues
- ❑ TJPDC distributes revenue to BRCTB members, net actual administrative costs and a 2% dealer discount, on a monthly basis

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Regional Cigarette Tax Board

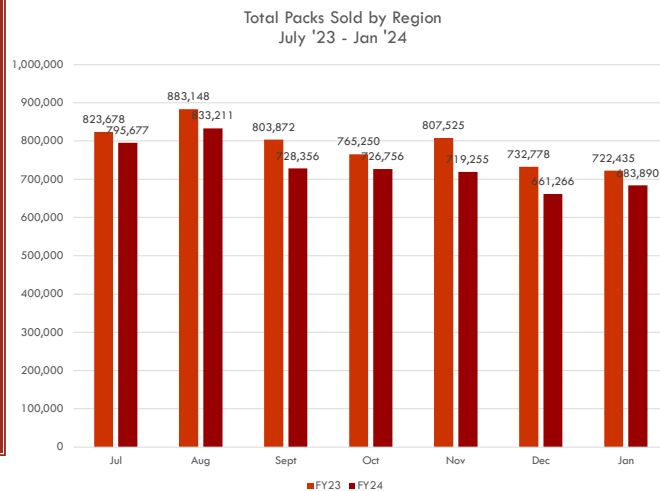
Cigarette Sales and Tax Revenue Generated

- January 2024 revenue: ~\$213K
- July - December 2023: ~\$1.4M
- Total packs sold (Jul - Jan): ~5.15M
- Admin costs (July - Jan): ~\$92K
- Of note:
 - ▣ Overall, packs sold and revenues are slightly declining year over year
 - ▣ Expenses may fluctuate, but average \$11-13K per month, spread across the members

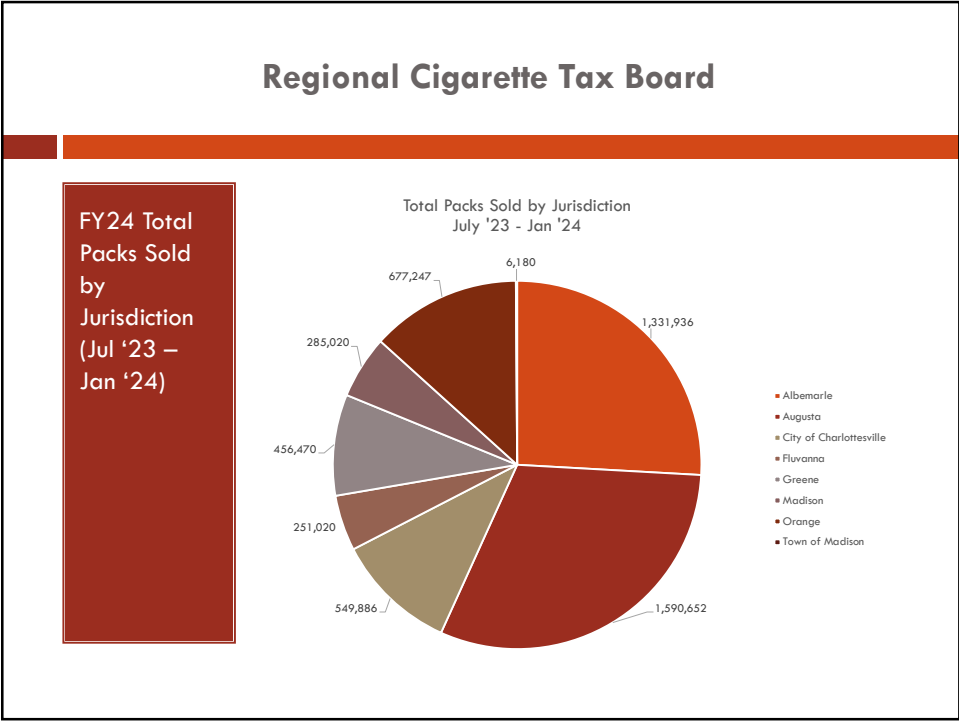
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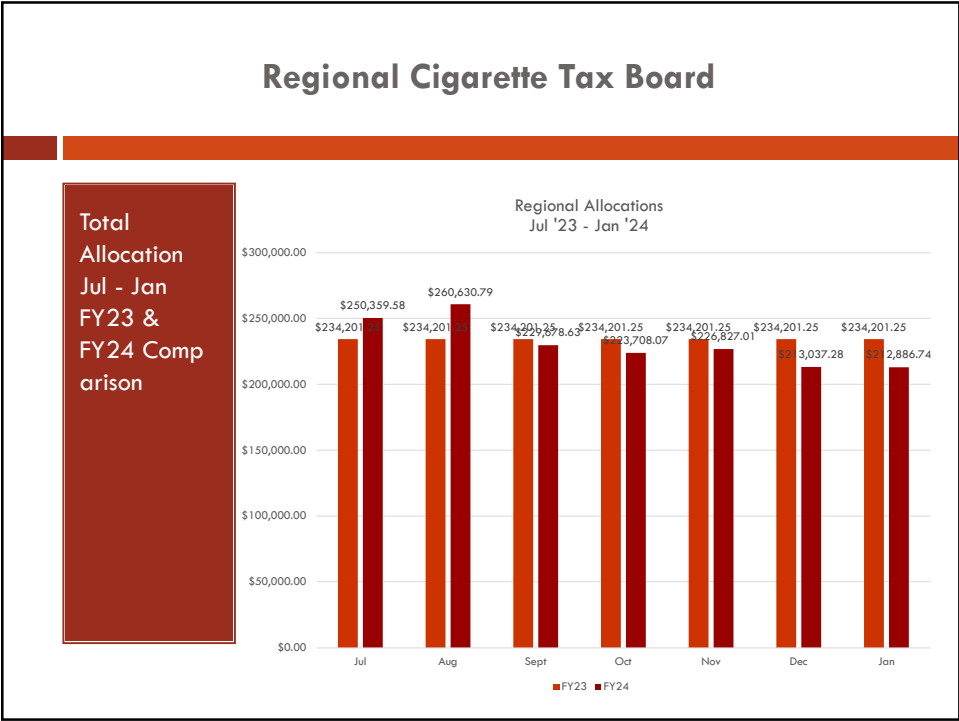
Packs Sold Jul – Jan FY23 & FY24 Comparison



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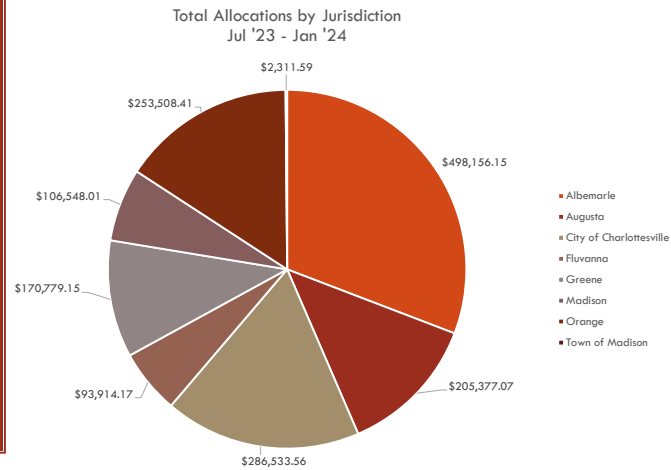
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FY24
Allocation by
Jurisdiction
(Jul '23 –
Jan '24)



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What's New
with the
Board?

- Eric Dahl (Fluvanna) is new chair; next meeting is April 22
- Will consider FY25 budget of \$2,965,000
- Financial Management: 1) Returning interest/distributor fees/erroneous payments to localities monthly; 2) Board members receiving monthly operational and reserve fund bank account statements and reconciliations; 3) Opened a second bank account specifically to accept ACH payments
- Revised distributor application/registration process was put in place for 2024; includes issuance of a numbered permit to distributors and a "Requirements for Wholesale Dealers" document

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Compliance Efforts

- Distributors: If reports/remittances are late, a three-step process is in place that includes a warning, assessment of a 10% penalty, and then placing the distributor on probation
- Retailers: Initial goal to educate, inform and work with 250+ retailers to ensure compliance
- All were expected to be in full compliance by the end of 2023
- Most are in compliance or actively working toward compliance; “old product” clean-up is underway
- Have taken steps to prepare to seize noncompliant product, if necessary

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<https://tjpd.org/brctb/>

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