

Blue Ridge Cigarette Tax Board

April 2025



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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, Orange and Rockingham counties; Charlottesville; Towns of Madison and Mt. Crawford.
- ❑ Local taxes first levied effective Jan. 2022.
- ❑ As administrator for the BRCTB, TJPDC works with 25+ distributors who 1) submit monthly reports on their sales of cigarettes to retailers, and 2) remit revenue designated for each member jurisdiction.
- ❑ TJPDC tracks/reconciles stamp purchases, pack sales, and revenues.
- ❑ TJPDC, on a monthly basis, distributes revenue to BRCTB members, net actual administrative costs and a 2% dealer discount.

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Regional Cigarette Tax Board

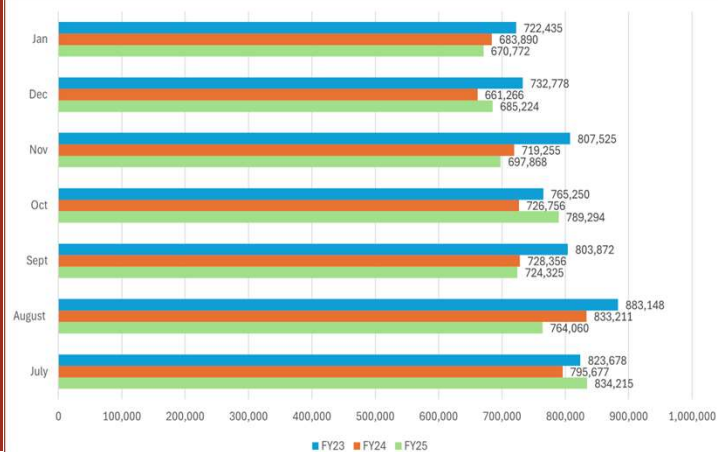
Cigarette Sales and Tax Revenue Generated

- January 2025 revenue: ~\$262K
- July - Dec 2024 revenue: ~\$1.7M
- Total packs sold (July - Jan): ~5.2M
- Admin costs (July - Jan): ~\$66.5K
- Of note:
 - Overall, packs sold and revenues continue to trend downward for most jurisdictions year over year
 - Expenses may fluctuate, but are averaging about \$9,500 per month this year, spread across the members

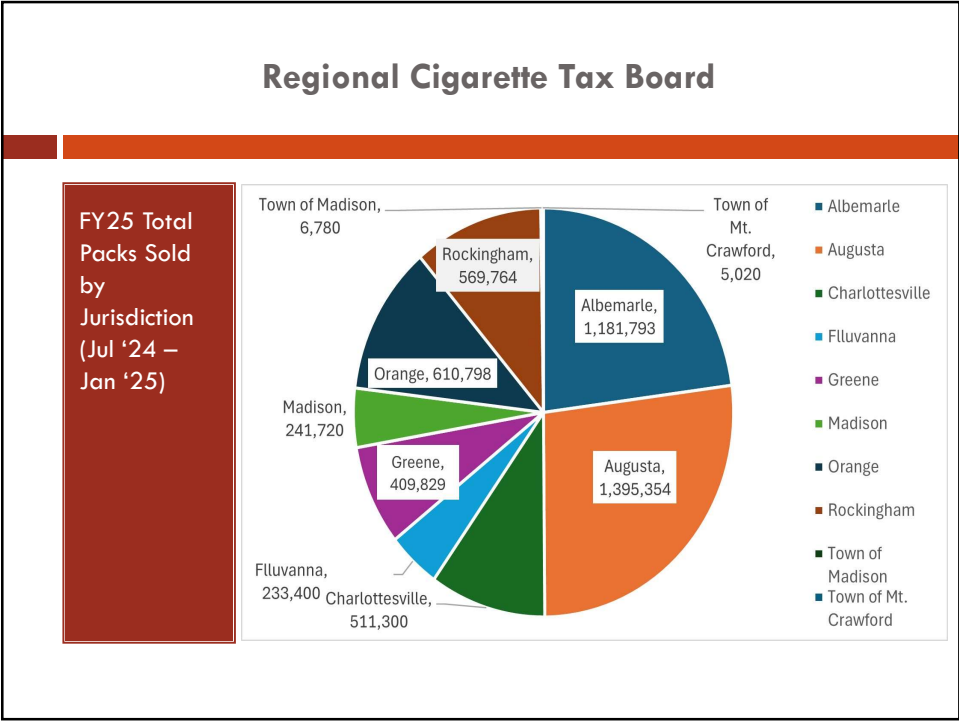
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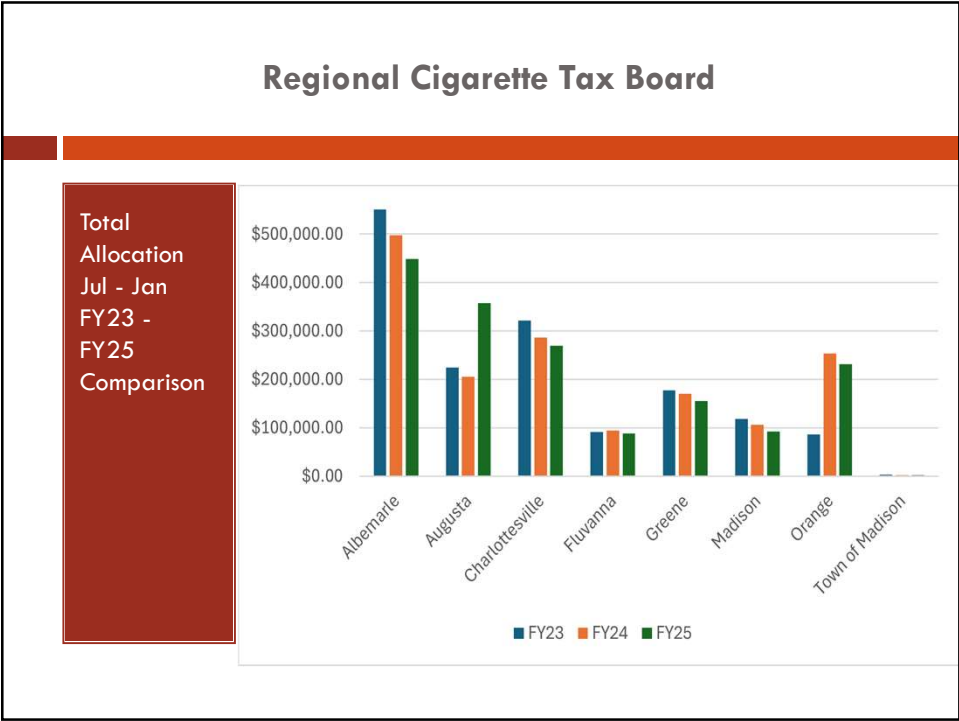
Packs Sold Jul – Jan FY23 - FY25 Comparison



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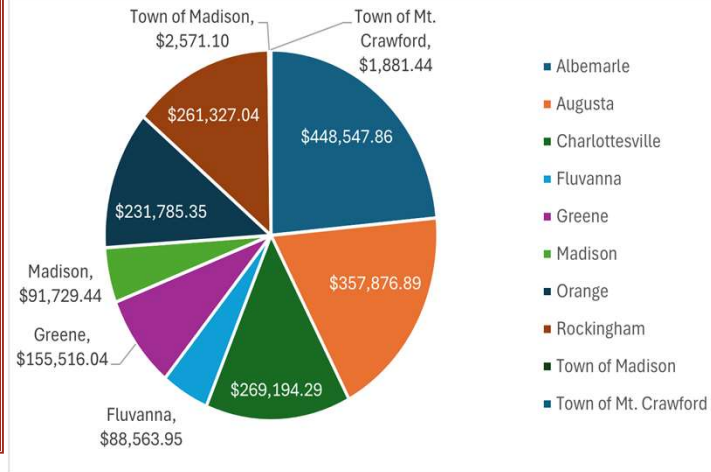
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FY25
Allocation by
Jurisdiction
(Jul '24 –
Jan '25)



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What's New
with the
Board?

- Town of Mount Crawford (Rockingham County) joined the Board, effective January 1.
- Jennifer Whetzel (Augusta) is current chair; next meeting is April 28; will consider FY26 budget of ~\$3.4 million.
- The Board approved some changes to the Policy on Obligations of New Members to the Board, necessitated by changes to the Board's Policy on Reserve Funds.
- We completed the annual registration and permitting process for distributors shortly after the beginning of the year. Approximately 25 distributors are registered.
- "Heat, not Burn" products: These may be taxed in accordance with their rules regarding "cigarettes," as both these product types are "cigarettes" under current Virginia law.

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Compliance Efforts

- The compliance agent works cooperatively with retailers to resolve any compliance issues, and have had only a few minor issues this past year.
- The Board put in place a process to address any appeals of seizure of noncompliant product, but have not done any seizures.
- Retailers: Ongoing goal to educate, inform and work with 250+ retailers to ensure compliance.
- 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.

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

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