

Governor Eyes Taxes

Governor Jay Hammond today introduced a package of excise taxes designed to increase revenues from these sources and bring the rates in line with those charged by other states. The three bills consist of increases in motor fuel, cigarette, and alcohol taxes.

The Governor stated, "These tax rates have not been raised in several years. Meanwhile, the costs of state programs related to these tax sources have increased tremendously. At the center of my philosophy of good government is the idea that on-going programs should pay for themselves.

"The gasoline tax helps to pay for highway maintenance, the cigarette tax helps to pay for schools, and the alcohol tax helps to pay for the social costs related

to problem drinkers. While even with such increases these costs will by no means be met. They will help. Certain technical changes in the cigarette tax act will insure that schools benefit directly from this tax."

The bills introduced by the Governor will raise the state gasoline tax by two cents per gallon, the cigarette tax by four cents per pack, and the liquor tax by 50 cents per gallon on hard liquor, 40 cents per gallon on wine, and 25 cents per gallon on beer.

In addition, the cigarette tax bill establishes a tax on the wholesale value of tobacco products other than cigarettes. The additional revenue to be generated from these increases will amount to over ten million dollars per year.