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KENTUCKY YMCA YOUTH ASSOCIATION KENTUCKY YOUTH ASSEMBLY Legislative Bill

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Referred to Committee: Senate 5

Authors: Jacob Osborne, Ethan Tackett, Melvin Bowen, Ben Mattingly	Action o	Action on the Bill		
School: Lawrence Co. HS	House	Senate		
	□ Passed	Passed		
City: Louisa	Defeated	Defeated		

An act to increase county budgets through means of taxing specific non-essential items.

Be it enacted by the Youth Assembly of the Commonwealth of Kentucky

Section 1: It is proposed that all county budgets shall be increased. The winter of 2013/14 resulted in a large increase in county spending. Across the state, counties spent more than expected on extra road salt, county worker overtime, etc. This left little money to deal with the failing infrastructure plaguing the Commonwealth. To coat one mile of a blacktop road, it costs roughly \$70,000. Most small counties have an average budget of 5 million dollars. In some regions a portion of the budget comes from coal severance money, which is expected to diminish within the next 5 years.

Section 2: The money for this increase in budget shall come from an increase in taxes on non-essential items such as tobacco products and alcoholic beverages. Current taxes for most tobacco products is 15 cents of their actual price, except snuff is 19 cents per 1½ pound and chewing tobacco is 65 cents per pound. Alcohol has a wholesale tax rate of 11% and an excise taxes of 8.0645%. Tobacco taxes accounted for 299 million dollars of revenue in 2011 while alcohol taxes accounted for 113 million dollars in 2011. Raising all of these taxes by 5% would result in approximately 120 million dollars. This extra revenue would be distributed evenly among the counties. This would result in each county's annual budget increasing by 1 million dollars.

Section 3: This bill will go into effect on January 1st, 2015.