



City Council Agenda Item Summary

Prepared For

City Council

Staff Contact

Andrew Trivette, City Manager

Agenda Item Wording

Public Hearing Regarding the Proposed Increase to the Cigarette Tax Rate

Background Information

Cigarette tax collections for FY20 are trending toward actual collections for the year of \$151,000, a 7.9% increase over the budget of \$140,000. The FY21 Proposed Budget includes an increase in the cigarette tax rate of 20 cents, increasing the rate from 30 cents to 50 cents. At the current trend, the increased rate is projected to increase revenues by \$100,700. Only 73.5%, or \$74,000, of the anticipated increase, is included in the budget. The resulting \$225,000 cigarette tax revenue generated is an increase of \$85,000, or 61%, compared to the FY20 budget.

Previous Relevant Action

February 11, 2020, Council Retreat

Staff Recommendation

None

Sample Motion

No Action