

WEST VIRGINIA FIREWORKS SALES CONTINUE TO DISAPPOINT

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CHARLESTON, W.Va. (AP) — Fireworks sales in West Virginia continue to bring in less revenue than predicted, according to the 2019 Fireworks Safety Fee Report.

The Charleston Gazette-Mail reports the fireworks safety fee brought in just under \$644,000 in 2018. When the 6 percent sales tax is added, total tax revenue from fireworks sales comes to just under \$966,000. That's about one-third of the \$2.8 million in annual revenue the Tax Department projected when the Legislature legalized fireworks sales in 2016.

The 2019 report says the 12% fireworks safety fee could be contributing to low sales. It notes that neighboring states of Ohio and Kentucky collect only sales taxes on fireworks purchases.

The report also notes that fireworks retailers in nearby states have permanent, year round locations, unlike the seasonal, transient operators in West Virginia.

The report suggests that the combination of lower prices and an established customer base allows out-of-state retailers to draw West Virginians across state lines for fireworks purchases.

Since fireworks were legalized effective July 1, 2016, sales have trended downward.

In the first six months of sales, the fireworks safety fee brought in \$754,553, according to the report.



But in the following full year, revenue dropped to \$709,936, a decline of nearly 6%. Revenue in 2018 dropped another 9.3%.

In total, the fireworks safety fee has raised a total of \$2.1 million in its first 30 months — 75% of which goes to state veterans' nursing homes and 25% of which goes to volunteer fire departments. That's far below the \$4.725 million that the Tax Department projected the fee would raise over that period.

Information from: The Charleston Gazette-Mail, <http://wvgazette.com>.