

ACT No. 247

2019 Regular Session

HOUSE BILL NO. 560

BY REPRESENTATIVES ABRAMSON, ARMES, BAGLEY, BILLIOT, TERRY BROWN, CARPENTER, GARY CARTER, STEVE CARTER, COX, DUPLESSIS, JIMMY HARRIS, JAMES, JEFFERSON, JENKINS, JORDAN, TERRY LANDRY, LARVADAIN, LYONS, MARCELLE, DUSTIN MILLER, MOORE, NORTON, SMITH, AND STAGNI

1 AN ACT

2 To enact Chapter 19 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:1692 through 1696, relative to state excise tax on industrial
4 hemp-derived CBD products; to levy an excise tax on industrial hemp-derived CBD
5 products; to provide for certain definitions; to provide for the rate of the excise tax;
6 to exempt certain products from the excise tax; to authorize the promulgation of rules
7 and regulations; to provide for the use of the avails of the excise tax; to provide for
8 an effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Chapter 19 of Subtitle II of Title 47 of the Louisiana Revised Statutes of
11 1950, to be comprised of R.S. 47:1692 through 1696 is hereby enacted to read as follows:

12 CHAPTER 19. "INDUSTRIAL HEMP-DERIVED CBD TAX"

13 §1692. Definitions

14 As used in this Chapter, the following terms shall have the meaning ascribed
15 to them in this Section unless the context clearly indicates otherwise:

16 (1) "CBD" means cannabidiol.

17 (2) Solely for purposes of the imposition of the industrial hemp-derived CBD
18 tax, "consumer" means either a business entity or a person who purchases industrial
19 hemp-derived CBD products.

20 (3) Solely for purposes of the imposition of the industrial hemp-derived CBD
21 tax, "industrial hemp" means the plant Cannabis sativa and any part of that plant,
22 including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids,
23 salts, and salts of isomers, whether growing or not, with a delta-9

1 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight
2 basis, and cultivated and processed in accordance with the United States Agriculture
3 Improvement Act of 2018, P.L. 115-334, or the plan submitted by the Louisiana
4 Department of Agriculture and Forestry that is in compliance with the U.S.
5 Department of Agriculture rules. Industrial hemp shall not include plants of the
6 Genus Cannabis that meet the definition of "marijuana" as defined in R.S. 40:961.

7 (4) "Industrial hemp-derived CBD product" means any industrial hemp-
8 derived product that contains CBD intended for consumption or topical use.

9 (5) Solely for purposes of the imposition of the industrial hemp-derived CBD
10 tax,"retail sale" means the sale or transfer of industrial hemp-derived CBD products
11 to a consumer for any purpose other than for resale and shall include all transactions
12 as the secretary, upon investigation, finds to be in lieu of sales. Resale shall include
13 but not be limited to the sale of industrial hemp-derived CBD products for further
14 processing into a product produced in accordance with R.S. 40:1046.

15 (6) Solely for purposes of the imposition of the industrial hemp-derived CBD
16 tax,"retailer" means a person or entity that sells or offers for sale industrial hemp-
17 derived CBD products to a consumer. Retailer shall also include any person or entity
18 that imports or causes to be imported from any other state industrial hemp-derived
19 CBD products for use or consumption.

20 (7) "Secretary" means the secretary of the Department of Revenue or his
21 duly appointed representatives.

22 §1693. Imposition of tax

23 A. There is hereby levied an excise tax upon each retail sale of industrial
24 hemp-derived CBD products within the state of Louisiana. The tax levied in this
25 Chapter shall be at the rate of three percent of the retail sales price of industrial
26 hemp-derived CBD products. The excise tax shall be levied in addition to state and
27 local sales and use tax or any other tax, and shall be reported monthly by the retailer
28 on forms prescribed by the secretary and paid by the retailer on or before the
29 twentieth day of the month following the month to which the tax is applicable.

1 B. The provisions of this Section shall not apply to any CBD product that has
 2 been approved for marketing as a prescription medication by the United States Food
 3 and Drug Administration or that is recommended for therapeutic use pursuant to R.S.
 4 40:1046.

5 §1694. Enforcement

6 The secretary shall collect, supervise and enforce the collection of all taxes,
 7 penalties, interest, and other charges that may be due under the provisions of this
 8 Chapter in the same manner provided for by law under the provisions of this Subtitle.
 9 The secretary shall administer legislative mandates contained in this Subtitle. To
 10 that end the secretary is vested with all of the power and authority conferred by this
 11 Subtitle, except as conferred upon other officials.

12 §1695. Rules and regulations

13 The department may promulgate rules and regulations in accordance with the
 14 Administrative Procedure Act as are necessary to implement the provisions of this
 15 Chapter.

16 §1696. Disposition of collections

17 After satisfaction of the requirements of the Bond Security and Redemption
 18 Fund as required under Article VII, Section 9(B) of the Louisiana Constitution, the
 19 state treasurer shall deposit in and credit to the Early Childhood Education Fund the
 20 revenues collected as provided in this Chapter.

21 Section 2. This Act shall take effect and become operative if and when the Act
 22 which originated as House Bill No. 138 of this 2019 Regular Session of the Legislature is
 23 enacted and becomes effective and shall be applicable for all tax periods beginning on or
 24 after January 1, 2020.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____