AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

CHAPTER 19. "INDUSTRIAL HEMP-DERIVED CBD TAX"

§1692. Definitions

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

(1) "CBD" means cannabidiol.

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

(3) Solely for purposes of the imposition of the industrial hemp-derived CBD tax, "industrial hemp" means the plant Cannabis sativa and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9
tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight
basis, and cultivated and processed in accordance with the United States Agriculture
Improvement Act of 2018, P.L. 115-334, or the plan submitted by the Louisiana
Department of Agriculture and Forestry that is in compliance with the U.S.
Department of Agriculture rules. Industrial hemp shall not include plants of the
Genus Cannabis that meet the definition of "marijuana" as defined in R.S. 40:961.
(4) "Industrial hemp-derived CBD product" means any industrial hemp-
derived product that contains CBD intended for consumption or topical use.
(5) Solely for purposes of the imposition of the industrial hemp-derived CBD
tax, "retail sale" means the sale or transfer of industrial hemp-derived CBD products
to a consumer for any purpose other than for resale and shall include all transactions
as the secretary, upon investigation, finds to be in lieu of sales. Resale shall include
but not be limited to the sale of industrial hemp-derived CBD products for further
processing into a product produced in accordance with R.S. 40:1046.
(6) Solely for purposes of the imposition of the industrial hemp-derived CBD
tax, "retailer" means a person or entity that sells or offers for sale industrial hemp-
derived CBD products to a consumer. Retailer shall also include any person or entity
that imports or causes to be imported from any other state industrial hemp-derived
CBD products for use or consumption.
(7) "Secretary" means the secretary of the Department of Revenue or his
duly appointed representatives.
§1693. Imposition of tax
A. There is hereby levied an excise tax upon each retail sale of industrial
hemp-derived CBD products within the state of Louisiana. The tax levied in this
Chapter shall be at the rate of three percent of the retail sales price of industrial
hemp-derived CBD products. The excise tax shall be levied in addition to state and
local sales and use tax or any other tax, and shall be reported monthly by the retailer
on forms prescribed by the secretary and paid by the retailer on or before the
twentieth day of the month following the month to which the tax is applicable.
B. The provisions of this Section shall not apply to any CBD product that has been approved for marketing as a prescription medication by the United States Food and Drug Administration or that is recommended for therapeutic use pursuant to R.S. 40:1046.

§1694. Enforcement

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

§1695. Rules and regulations

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

§1696. Disposition of collections

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

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ________________________