

RÉSUMÉ DIGEST

ACT 247 (HB 560)

2019 Regular Session

Abramson

New law levies an excise tax on the retail sale of industrial hemp-derived CBD products at the rate of 3% based on the retail sales price of these products, in addition to other taxes, including state and local sales and use taxes.

New Law exempts CBD products approved by the U.S. Food and Drug Administration (FDA) as prescription medications or products recommended for therapeutic use from the excise tax.

New law defines "industrial hemp" as any part of the plant *Cannabis sativa*, including the seeds and all derivatives, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis and cultivated and processed in accordance with federal law or rules. Industrial hemp does not include plants that meet the definition of marijuana.

New law defines an "industrial hemp-derived CBD product" as any industrial hemp-derived product that contains CBD and is intended for consumption or topical use.

New law requires retailers to use Dept. of Revenue (DOR) prescribed forms to report the excise tax monthly and to pay the tax on or before the 20th day of the month following the month in which the tax is applicable.

New law authorizes DOR to collect, supervise, and enforce the collection of taxes, penalties, and interest related to the excise tax. Further authorizes DOR to promulgate rules and regulations to implement the provisions of new law.

New law dedicates the avails of the excise tax levied on industrial hemp-derived CBD products to the Early Childhood Education Fund.

Effective Aug. 1, 2019, and applicable for all tax periods beginning on or after Jan. 1, 2020.

(Adds R.S. 47:1692 - 1696)