

## RÉSUMÉ DIGEST

ACT 331 (HB 507)

2019 Regular Session

Abramson

Existing law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property; however, existing law excludes and exempts a wide variety of tangible personal property from the sales and use taxes.

Existing law suspends numerous exclusions and exemptions from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025.

New law establishes an exclusion for marijuana recommended for therapeutic use by patients clinically diagnosed as suffering from certain debilitating medical conditions from state and local sales and use taxes. New law adds sales of marijuana recommended for therapeutic use to the list of exclusions and exemptions that are effective through June 30, 2025.

Prior law required the Dept. of Agriculture and Forestry, hereinafter "department", to receive an amount not to exceed 7% of the gross sales of therapeutic marijuana.

New law requires the department to assess a fee of 7% on the gross sales of therapeutic marijuana that shall be collected by the Dept. of Revenue (DOR) using tax collection procedures in existing law.

Existing law provides for the Community and Family Support System Fund, hereinafter "the fund" as a special fund in the state treasury to be used solely to improve the capacity of the state to meet the varying and complex needs of individuals with developmental disabilities, with emphasis on increasing the number of recipients of waiver services.

New law requires DOR to monthly transfer to the state treasury the proceeds of the fee collected on therapeutic marijuana as provided for in new law to be deposited into the fund and for no less than 50% of the proceeds of the fee to be used to provide funding for the EarlySteps intervention program for infants and toddlers with disabilities and their families.

New law further authorizes the legislature to appropriate an amount from the fee assessed on the gross sales of therapeutic marijuana to the department for administrative costs.

Existing law provides for a deduction from corporate income tax expenses disallowed under federal law. Further requires a taxpayer who elects to claim certain credits that are based on an expense, to reduce the federal deduction for the expense by the dollar amount of the credit claimed.

New law changes references to federal law and extends the corporate income tax deduction to state licensees producing and distributing therapeutic marijuana for ordinary business expenses, if the deduction was disallowed pursuant to federal law.

Effective July 1, 2019.

(Amends R.S. 28:826(B)(1) and (C)(1), R.S. 40:1046(H)(8)(a), 1046(H)(8)(a) as enacted by §1 of Act No. 567 and §2 of Act No. 96 both of the 2016 R.S. of the Legislature, and R.S. 47:287.73(C)(4); Adds R.S. 47:287.73(C)(1), 301(10)(ii), 302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111))