

Regular Session, 2013

HOUSE BILL NO. 713

BY REPRESENTATIVE STOKES

TAX/EXCISE: Increases the state excise tax on certain tobacco products and reduces certain excise tax discounts

1 AN ACT

2 To amend and reenact R.S. 26:345 and 354(D), R.S. 47:818.22(A) and (B), 823(E), 841(A),

3 (C), and (E), 843(B) and (C)(3), and 851(B)(2)(b) and to enact R.S. 47:841(B)(6),

4 relative to state excise taxes; to provide relative to the state excise tax on certain

5 tobacco products; to increase the tax on cigars, cigarettes, smoking tobacco, and

6 smokeless tobacco, to provide relative to alcohol discounts and deductions; to

7 provide relative to gasoline and diesel fuels discounts; to provide relative to storage

8 of hazardous waste discounts; to provide for effectiveness; and to provide for related

9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 26:345 and 354(D) are hereby amended and reenacted to read as
12 follows:

13 §345. Discount on taxes on beverages of low alcoholic content

14 For accurately reporting and timely remitting the taxes due under the

15 provisions of R.S. 26:342, all taxpayers shall be allowed a discount of ~~two~~ one

16 percent of the amount of the tax otherwise due.

17 * * *

18 §354. Payment and reporting of taxes; discounts; rules and regulations;

19 enforcement; forfeitures and penalties; redemption of tax stamps

20 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 and remits the tax pursuant to R.S. 47:826 shall be allowed ~~one-half~~ one-quarter of
2 one percent of the amount of the tax due and accounted for and remitted to the
3 secretary in the form of a deduction in submitting his report and paying the amount
4 due by him, provided the amount due was not delinquent at the time of payment.

5 * * *

6 §841. Imposition of tax

7 There is hereby levied a tax upon the sale, use, consumption, handling, or
8 distribution of all cigars, cigarettes, and smoking and smokeless tobacco, as defined
9 herein, within the state of Louisiana, according to the classification and rates
10 hereinafter set forth:

11 A. Cigars.

12 ~~(1) Upon cigars invoiced by the manufacturer at one hundred twenty dollars~~
13 ~~per thousand or less a tax of eight~~ A tax of forty percent of the invoice price as
14 defined in this Chapter.

15 ~~(2) Upon cigars invoiced by the manufacturer at more than one hundred~~
16 ~~twenty dollars per thousand a tax of twenty percent of the invoice price as defined~~
17 ~~in this Chapter.~~

18 B. Cigarettes.

19 * * *

20 (6) In addition to the taxes levied in Paragraphs (1), (2), (4), and (5) of this
21 Subsection and in Paragraph (3) of this Subsection as continued in effect by Article
22 VII, Section 4.1 of the Constitution of Louisiana, there is hereby levied an additional
23 tax of sixty-four twentieths of one cent per cigarette.

24 C. Smoking Tobacco. Upon smoking tobacco, a tax of ~~thirty-three~~ forty
25 percent of the invoice price as defined in this Chapter.

26 * * *

27 E. Smokeless tobacco. Upon smokeless tobacco, a tax of ~~twenty~~ forty
28 percent of the invoice price as defined in this Chapter.

29 * * *

1 §843. Use of stamps or meter impression required and limitations

2 * * *

3 B. The secretary of the Department of Revenue shall allow wholesale
4 tobacco dealers of other states who have a direct purchasing contract with a
5 manufacturer and serving a trade area of retail dealers in this state to purchase
6 Louisiana stamps with benefit of discount; provided however, in no instance shall
7 the discount be greater than that which is received by such wholesale tobacco dealers
8 in their state of domicile and further provided that regardless of the discount
9 extended by other states, the discount shall not exceed ~~six~~ three percent.

10 C. Purchase of stamps.

11 * * *

12 (3) Cigarette tax stamps shall be sold by the secretary of the Department of
13 Revenue to bonded registered Louisiana tobacco dealers in the state of Louisiana
14 who have a direct purchasing contract with a manufacturer at a discount of ~~six~~ three
15 percent from the face value, when purchased in quantities of not less than one
16 hundred dollars face value, and the same provisions and discount shall apply where
17 the metered stamping machine or device is used.

18 * * *

19 §851. Dealers receiving unstamped and/or nontax paid cigarettes, cigars, and
20 smoking tobaccos required to file monthly reports and maintain records;
21 vending machine restrictions

22 * * *

23 B. Registered tobacco dealers.

24 * * *

25 (2)

26 * * *

27 (b) A ~~six~~ three percent discount is allowable for timely and accurately filing
28 such report only on those purchases made by registered tobacco dealers in Louisiana
29 who have a direct purchasing contract with a manufacturer. The secretary shall

1 allow wholesale tobacco dealers of other states serving a trade area of retail dealers
 2 in this state who have a direct purchasing contract with a manufacturer to sell in this
 3 state with the benefit of the discount provided, however, in no instance shall the
 4 discount be greater than that which is received by such wholesale tobacco dealers in
 5 their state of domicile and further provided that regardless of the discount extended
 6 by other states, such discount shall not exceed ~~six~~ three percent, provided said
 7 dealers meet the requirements of a wholesale dealer as set forth in R.S. 47:842(5).
 8 The transfer or disposal by a qualified dealer of any benefit herein conferred is
 9 prohibited except in the case of the original recipient.

* * *

11 Section 2. This Act shall take effect and become operative if and when the Acts
 12 which originated as House Bill Nos. ___ of this 2013 Regular Session of the Legislature are
 13 enacted and become effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Stokes

HB No. 713

Abstract: Increases the tax on cigars, cigarettes, smoking tobacco, and smokeless tobacco and reduces certain alcohol, motor fuel, tobacco, and hazardous waste disposal discounts.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigars, cigarettes, and smoking and smokeless tobacco in La.

Present law provides that the rate of the tax for cigars invoiced by the manufacturer at \$120 per 1,000 and or less shall be 8% of the invoice price and the rate of the tax for cigars invoiced by the manufacturer at more than \$120 per 1,000 shall be 20% of the invoice price.

Proposed law removes different rates based on invoice amounts and taxes all cigars at the same rate. Also, increases the tax on cigars invoiced by the manufacturer at \$120 per 1,000 or less from 8% of the invoice price to 40% of the invoice price and increases the tax for cigars invoiced by the manufacturer at more than \$120 per 1,000 from 20% of the invoice price to 40% of the invoice price.

Present law levies a tax on cigarettes at the rate of 36¢ per pack.

Proposed law increases the tax on cigarettes from 36¢ per pack to \$1 per pack.

Present law provides that the rate of the tax for smoking tobacco shall be 33% of the invoice price.

Proposed law increases the tax on smoking tobacco from 33% of the invoice price to 40% of the invoice price.

Present law provides that the rate of the tax on smokeless tobacco shall be 20% of the invoice price.

Proposed law increases the tax on smokeless tobacco from 20% of the invoice price to 40% of the invoice price.

Present law authorizes a discount of 2% of the amount of tax due on beverages of low alcoholic content in order to encourage accurate reporting and timely remitting the taxes due beverages of low alcoholic content. Further provides a discount of ~~3-a~~ % of the amount of tax due on beverages of high alcoholic content in order to encourage accurate reporting and timely remitting the taxes due beverages of low alcoholic content.

Proposed law reduces the discount from 2% of the amount of the tax to 1% of the amount of the tax for the timely reporting and remitting of taxes on beverages of low alcoholic content. Additionally, reduces the discount from ~~3-a~~ % of the amount of the tax to 1-³/₄% of the amount of the tax for the timely reporting and remitting of taxes on beverages of high alcoholic content.

Present law authorizes a discount of 1-¹/₂% of the tax due on gasoline and diesel fuels for a supplier or permissive supplier who files a timely return and remits timely payment. However, this allowance shall not be deductible unless the supplier or permissive supplier allows a deduction of 1% to a purchaser with a valid distributor or importer license who timely files and pays such tax on or before the 22nd day of the month as required by present law.

Proposed law reduces the discount for suppliers and permissive suppliers from 1-¹/₂% of the tax to ³/₄ of 1% of the tax due on gasoline and diesel fuels for the timely reporting and remitting of such taxes. Additionally reduces the deduction for licensed distributors or importers from 1% to ¹/₂ of 1% who timely file and pay taxes on gasoline and diesel fuels.

Present law authorizes a discount of ¹/₂ of 1% of the tax levied for the disposal and storage of hazardous waste as compensation for the administrative costs in accounting for timely filing and remitting such tax.

Proposed law reduces the discount from ¹/₂ of 1% of the tax to ¹/₄ of 1% of the tax for the timely filing and remittance of taxes for the disposal and storage of hazardous waste.

Present law requires the secretary of the Dept. of Revenue to allow wholesale tobacco dealers of other states who have a direct purchasing contract with a manufacturer and serving a trade area of retail dealers in this state to purchase La. stamps with benefit of discount; however, in no instance shall the discount be greater than the discount received by wholesale tobacco dealers in their state of domicile and further provided that regardless of the discount extended by other states, the discount shall not exceed 6%.

Proposed law reduces the amount of the discount for out-of-state wholesale tobacco dealers from 6% to 3%.

Present law requires every registered tobacco dealer receiving and handling cigars and smoking tobaccos in La. upon which the tax has not been previously paid shall, within 20 days after the expiration of each calendar month, file a report of the total amount of cigars and smoking tobaccos received and handled during the preceding month, and shall pay the taxes due. Further requires all out-of-state La. registered tobacco dealers to file a report disclosing all sales of cigars and smoking tobaccos in La. during the preceding calendar month, and shall pay the taxes due.

Present law authorizes a 6% discount for timely and accurately filing such report only on those purchases made by registered tobacco dealers in La. who have a direct purchasing contract with a manufacturer. Further authorizes the secretary to allow wholesale tobacco dealers of other states serving a trade area of retail dealers in this state who have a direct purchasing contract with a manufacturer to sell in this state with the benefit of the discount; however, the discount shall not exceed the discount received by wholesale tobacco dealers in their state of domicile and further provided the discount shall not exceed 6%.

Proposed law retains present law but reduces the discount authorized for purchases made by registered tobacco dealers in La. who have a direct purchasing contract with a manufacturer from 6% to 3%.

Present law provides that cigarette tax stamps shall be sold to bonded registered La. tobacco dealers who have a direct purchasing contract with a manufacturer at a discount of 6% from the face value when purchased in quantities of not less than \$100 face value. Further requires the same discount to apply where metered stamping machines or devices are used.

Proposed law reduces the discount from 6% to 3%.

Effective if and when House Bill Nos. ___ of this 2013 Regular Session are enacted and become effective.

(Amends R.S. 26:345 and 354(D) and R.S. 47:818.22(A) and (B), 823(E), 841(A), (C), and (E), 843(B) and (C)(3), and 851(B)(2)(b); Adds R.S. 47:841(B)(6))