

2015 Regular Session

HOUSE BILL NO. 792

BY REPRESENTATIVE STOKES

TAX/TOBACCO TAX: Levies an additional tax on cigarettes and tobacco products and levies a tax on certain vapor products and electronic cigarettes

1 AN ACT

2 To amend and reenact R.S. 47:841(introductory paragraph), (A), (C), (E), and (F) and to  
3 enact R.S. 47:841(B)(6) and (G), relative to the tobacco tax; to increase the tax on  
4 cigars, cigarettes, smoking tobacco, and smokeless tobacco; to levy a tobacco tax on  
5 certain vapor products and electronic cigarettes; to dedicate the avails of the  
6 additional taxes on cigars, cigarettes, smoking tobacco, and smokeless tobacco; to  
7 dedicate the avails of the tax levied on certain vapor products and electronic  
8 cigarettes; to provide with respect to the application of the tax on tobacco products  
9 in the inventory of certain retail and wholesale dealers; to provide for an effective  
10 date; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:841(introductory paragraph), (A), (C), (E), and (F) are hereby  
13 amended and reenacted and R.S. 47:841(B)(6) and (G) are hereby enacted to read as follows:

14 §841. Imposition of tax

15 There is hereby levied a tax upon the sale, use, consumption, handling, or  
16 distribution of all cigars, cigarettes, ~~and~~ smoking and smokeless tobacco, vapor  
17 products, and electronic cigarettes, as defined herein, within the state of Louisiana,  
18 according to the classification and rates hereinafter set forth:





1 and after a sufficient amount is allocated from that fund to pay all of the obligations  
2 secured by the full faith and credit of the state which become due and payable within  
3 any fiscal year, the state treasurer shall annually deposit into the fund an amount  
4 equal to the avails of one-quarter of one-twentieth of one cent per cigarette from the  
5 tax on cigarettes imposed pursuant to this Section. Monies in the fund shall be  
6 subject to appropriation by the legislature and then only to the office of alcohol and  
7 tobacco control for purposes of tobacco regulation enforcement. All unexpended and  
8 unencumbered monies in the fund shall be invested by the state treasurer in the same  
9 manner as monies in the state general fund, and all earnings on investment of the  
10 fund shall be deposited into the fund.

11 Section 2. The increase in the tobacco tax imposed by this Act shall apply to all  
12 tobacco products purchased by retail dealers and wholesale dealers on and after July 1,  
13 2015, and shall not apply to stamped products and unused tax stamps in the possession of  
14 wholesale dealers prior to July 1, 2015. All wholesale and retail dealers shall file an  
15 inventory with the secretary of the Department of Revenue of all tobacco products on hand  
16 prior to July 1, 2015. The inventory shall be filed by August 1, 2015. The secretary shall  
17 have authority to adopt rules and regulations as to the filing of the inventory report.

18 Section 3. The increase in the tax on tobacco products levied by the provisions of  
19 this Act and the levy of the tax on electronic cigarettes and vapor products pursuant to the  
20 provisions of this Act shall be effective for the period beginning on July 1, 2015.

21 Section 4. The avails of the tax levied pursuant to the provisions of Section 1 of this  
22 Act shall be collected by the Department of Revenue and remitted to the state treasury for  
23 deposit into an escrow account until the proposed amendment to Article VII of the  
24 Constitution of Louisiana contained in the Act which originated as House Bill No.  
25 NUMBER is adopted at a statewide election and becomes effective. If the constitutional  
26 amendment is adopted by the voters, the state treasurer is hereby authorized and directed to  
27 transfer the monies deposited into the escrow account into the Ad Valorem Tax Offset Fund  
28 to be used for all purposes set forth in R.S. 39:100.146. However, if the constitutional

1 amendment fails to be adopted by the voters, the state treasurer is authorized and directed  
2 to transfer the monies deposited in the escrow account into the state general fund.

3 Section 5. This Act shall become effective on July 1, 2015.

---

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)]

---

HB 792 Original

2015 Regular Session

Stokes

**Abstract:** Levies an additional tax on cigars, cigarettes, smoking tobacco, and smokeless tobacco and levies a tax on vapor products and electronic cigarettes.

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 or less shall be 8% of the invoice price.

Proposed law increases the tax on cigars invoiced by the manufacturer at \$120 per 1,000 or less from 8% of the invoice price to 16% of the invoice price.

Present law provides that 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 increases the tax on 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 \$1.08 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 66% 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.

Proposed law levies an excise tax equal to five cents per milliliter of nicotine liquid solution on vapor products and electronic cigarettes. Proposed law defines "vapor products" as any noncombustible product containing nicotine or other substances that employ a heating element or other mechanical means used to produce vapor from nicotine in a solution. Proposed law further defines "vapor products" as any electronic cigarette, cigar, or pipe and any vapor cartridge or other container of nicotine in a solution that is intended to be used with or in an electronic cigarette, cigar, or pipe.

Proposed law provides that the additional tax shall apply to all tobacco products purchased by retail dealers and wholesale dealers on and after July 1, 2015, but shall not apply to stamped products and unused tax stamps in the possession of wholesale dealers prior to July 1, 2015. Requires all wholesale and retail dealers to file an inventory with the Dept. of Revenue by Aug. 1, 2015, of all tobacco products on hand prior to July 1, 2015.

Proposed law authorizes the Dept. of Revenue to adopt rules and regulations as to the filing of the inventory report.

Proposed law requires the avails of the tax levied pursuant to proposed law to be deposited by the state treasurer into an escrow account until a determination is made regarding passage of the constitutional amendment which establishes the Ad Valorem Tax Offset Fund. If the constitutional amendment is adopted, the state treasurer is directed to transfer the monies in the escrow account into the Ad Valorem Tax Offset Fund to be used for all purposes set forth in proposed law. However, if the constitutional amendment fails to be adopted, the state treasurer is directed to deposit the monies in the escrow account into the state general fund.

Effective July 1, 2015.

(Amends R.S. 47:841(intro. para.), (A), (C), (E), and (F); Adds R.S. 47:841(B)(6) and (G))