

2019 Regular Session

HOUSE BILL NO. 507

BY REPRESENTATIVES ABRAMSON, BILLIOT, BOUIE, TERRY BROWN, CARPENTER, GARY CARTER, COX, DUPLESSIS, GLOVER, JIMMY HARRIS, JACKSON, JAMES, JEFFERSON, JENKINS, JORDAN, LARVADAIN, LYONS, MARCELLE, NORTON, PIERRE, AND STAGNI

TAX: Levies a 7% tax on the gross sales of therapeutic marijuana and dedicates the avails into the New Opportunities Waiver Fund

1 AN ACT

2 To amend and reenact R.S. 28:826(B)(1) and (C)(1) and R.S. 40:1046(H)(8)(a) and to enact  
3 R.S. 47:301(10)(ii), 302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111),  
4 relative to the gross sales of therapeutic marijuana; to authorize a fee on the gross  
5 sales of therapeutic marijuana; to dedicate the proceeds of the fee; to provide for use  
6 of the proceeds; to exclude sales of marijuana recommended for therapeutic use from  
7 state and local sales and use tax; to provide for the effectiveness of certain sales and  
8 use tax exclusions; to provide for an effective date; and to provide for related  
9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 28:826(B)(1) and (C)(1) are hereby amended and reenacted to read  
12 as follows:

13 §826. Community and Family Support System Fund

14 \* \* \*

15 B.(1) Notwithstanding any other provision of law to the contrary, after  
16 compliance with the requirements of Article VII, Section 9(B) of the Constitution of  
17 Louisiana relative to the Bond Security and Redemption Fund, and after a sufficient  
18 amount is allocated from that fund to pay all of the obligations secured by the full

1 faith and credit of the state which become due and payable within any fiscal year, the  
2 treasurer shall pay an amount equal to the amount collected by the state attributable  
3 to the sale or lease of all or part of any movable and immovable property previously  
4 operated by the office for citizens with developmental disabilities within the  
5 Louisiana Department of Health and the proceeds of the fee assessed pursuant to the  
6 provisions of R.S. 40:1046(H)(8)(a).

7 \* \* \*

8 C.(1) Subject to annual appropriation by the legislature, the monies in the  
9 Community and Family Support System Fund shall be used solely to improve the  
10 capacity of the state to meet the varying and complex needs of individuals with  
11 developmental disabilities, with emphasis on increasing the number of recipients of  
12 waiver services and no less than fifty percent of the proceeds of the fee assessed  
13 pursuant to the provisions of R.S. 40:1046(H)(8)(a) deposited into the fund shall be  
14 used to provide funding for the Early Steps intervention program for infants and  
15 toddlers with disabilities and their families as established in R.S. 28:461 et seq.

16 \* \* \*

17 Section 2. R.S.40:1046(H)(8)(a) is hereby amended and reenacted to read as follows:

18 §1046. Recommendation of marijuana for therapeutic use; rules and regulations;  
19 Louisiana Board of Pharmacy and the adoption of rules and regulations  
20 relating to the dispensing of recommended marijuana for therapeutic use; the  
21 Department of Agriculture and Forestry and the licensure of a production  
22 facility

23 \* \* \*

24 H.

25 \* \* \*

26 (8)(a) The department shall perform the following:

27 (i) Establish and collect an annual license fee of one hundred thousand dollars  
28 and an annual permit fee of one hundred dollars for administrative and inspection  
29 costs.



1 BB. Notwithstanding any other provision of law to the contrary, including  
2 but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
3 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
4 levied pursuant to the provisions of this Section, except for the retail sale, use,  
5 consumption, distribution, or storage for use or consumption of the following:

6 \* \* \*

7 (110) Sales of marijuana recommended for therapeutic use as provided in  
8 R.S. 47:301(10)(ii).

9 \* \* \*

10 §321. Imposition of tax

11 \* \* \*

12 P. Notwithstanding any other provision of law to the contrary, including but  
13 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
14 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
15 levied pursuant to the provisions of this Section, except for the retail sale, use,  
16 consumption, distribution, or storage for use or consumption of the following:

17 \* \* \*

18 (111) Sales of marijuana recommended for therapeutic use as provided in  
19 R.S. 47:301(10)(ii).

20 \* \* \*

21 §321.1. Imposition of tax

22 \* \* \*

23 I. Notwithstanding any other provision of law to the contrary, including but  
24 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
25 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
26 levied pursuant to the provisions of this Section, except for the retail sale, use,  
27 consumption, distribution, or storage for use or consumption of the following:

28 \* \* \*



R.S. 47:51:1286 - .03%

Proposed law establishes an exclusion from state and local sales and use taxes for marijuana recommended for therapeutic use by patients clinically diagnosed as suffering from certain debilitating medical conditions.

Present law excludes and exempts a wide variety of tangible personal property from the sales and use tax; however, present 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.

Proposed law changes present law by adding sales of marijuana recommended for therapeutic use to the list of exclusions and exemptions that are effective through June 30, 2025.

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

Proposed law changes present law by requiring the department to assess a fee of 7% on the gross sales of therapeutic marijuana and authorizes the legislature to appropriate an amount to the department for administrative costs.

Proposed law requires the remainder of the proceeds of the fee to be deposited into the Community and Family Support System Fund as established in present law to be used to provide funding for the EarlySteps intervention program for infants and toddlers with disabilities and their families.

Present law establishes the Community and Family Support System Fund, hereinafter "the fund" as a special fund in the state treasury. After compliance with the requirements of present constitution, relative to the Bond Security and Redemption Fund, the treasurer shall pay an amount equal to the amount collected by the state attributable to the sale or lease of all or part of any movable and immovable property previously operated by the office for citizens with developmental disabilities within the La. Dept. of Health. Monies appropriated from the fund shall 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.

Proposed law retains present law but requires the proceeds of the fee assessed on therapeutic marijuana as provided for in proposed 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.

Effective July 1, 2019.

(Amends R.S. 28:826(B)(1) and (C)(1) and R.S. 40:1046(H)(8)(a); Adds R.S. 47:301(10)(ii), 302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Clarify that the legislature may appropriate an amount from the 7% tax to the Dept. of Agriculture and Forestry for administrative costs of the therapeutic marijuana program. The remainder of the avails of the tax on therapeutic marijuana shall be deposited into the New Opportunities Waiver Fund.

The House Floor Amendments to the engrossed bill:

1. Change proposed law from the collection of a tax to the assessment of a fee on the gross sales of therapeutic marijuana.
2. Change the dedication of the proceeds of the fee from the New Opportunities Waiver Fund to the Community and Family Support System Fund, hereinafter "fund".
3. Require that no less than 50% of the proceeds of the fee deposited into the fund be used to provide funding for the EarlySteps intervention program for infants and toddlers with disabilities and their families.
4. Establish a state and local sales tax exclusion for marijuana recommended for therapeutic use by patients clinically diagnosed as suffering from certain debilitating medical conditions.