

2025 Regular Session

HOUSE BILL NO. 325

BY REPRESENTATIVES BRYANT, DESHOTEL, JACKSON, MCCORMICK, AND  
NEWELL

TAX/TOBACCO TAX: Provides for the rate of tax levied on certain cigars

1 AN ACT

2 To amend and reenact R.S. 47:841(A)(2), relative to tobacco taxes; to provide with respect  
3 to the rate of the tax levied on certain cigars; to provide for application of the tax on  
4 certain cigars in the inventory of certain retail and wholesale dealers; to provide for  
5 an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:841(A)(2) is hereby amended and reenacted to read as follows:

8 §841. Imposition of tax

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

13 A. Cigars.

14 \* \* \*

15 (2)(a) ~~Upon~~ Before January 1, 2026, upon cigars invoiced by the  
16 manufacturer at more than one hundred twenty dollars per thousand, a tax of twenty  
17 percent of the invoice price as defined in this Chapter.

18 (b)(i) Beginning January 1, 2026, through December 31, 2027, upon cigars  
19 invoiced by the manufacturer at more than one hundred twenty dollars per thousand

1        but less than two thousand five hundred dollars per thousand, a tax of twenty percent  
2        of the invoice price as defined in this Chapter.

3                    (ii) Beginning January 1, 2026, through December 31, 2027, upon cigars  
4                    invoiced by the manufacturer at two thousand five hundred dollars or more per  
5                    thousand, a tax of fifty cents per cigar.

6                    (c) Beginning January 1, 2028, and thereafter, upon cigars invoiced by the  
7                    manufacturer at more than one hundred twenty dollars per thousand, a tax of twenty  
8                    percent of the invoice price as defined in this Chapter.

9 \* \* \*

Section 2. The change in the tax imposed on cigars by this Act shall apply to all cigar products purchased by retail dealers and wholesale dealers on and after January 1, 2026. All wholesale and retail dealers shall file an inventory with the secretary of the Department of Revenue of all cigars on hand as of December 31, 2025. The inventory shall be filed by February 1, 2026. The secretary of the Department of Revenue shall have authority to adopt rules and regulations as to the filing of the inventory report.

16           Section 3. This Act shall become effective on January 1, 2026.

# 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 325 Reengrossed

2025 Regular Session

Bryant

**Abstract:** Beginning Jan. 1, 2026, through Dec. 31, 2027, changes the tax levied on cigars invoiced by manufacturers at more than \$2,500 per 1,000 from 20% of the invoice price to 50¢ per cigar.

Present law provides for the levy of a tax on the sale, use, consumption, handling, or distribution of all cigars, cigarettes, smoking and smokeless tobacco, and vapor products and electronic cigarettes. The amount of the tax levied on cigars is as follows:

- (1) On cigars invoiced by manufacturers at \$120 per 1,000 or less, 8% of the invoice price.
- (2) On cigars invoiced by manufacturers at more than \$120 per 1,000, 20% of the invoice price.

Proposed law retains present law as to the tax levied on cigars invoiced by manufacturers at \$120 per 1,000 or less but changes the tax levied on cigars invoiced by manufacturers at more than \$120 per 1,000 as follows:

- (1) Until Jan. 1, 2026, the tax rate is 20% of the invoice price.
- (2) Beginning Jan. 1, 2026, through Dec. 31, 2027, the tax rate is 20% of the invoice price for cigars invoiced by a manufacturer at more than \$120 per 1,000 but less than \$2,500 per 1,000.
- (3) Beginning Jan. 1, 2026, through Dec. 31, 2027, the tax rate is 50¢ per cigar for cigars invoiced by the manufacturer at \$2,500 or more per 1,000.
- (4) Beginning Jan. 1, 2028, and thereafter, the tax rate is 20% of the invoice price.

Proposed law provides that the tax imposed by proposed law shall apply to all cigar products purchased by retail dealers and wholesale dealers on and after Jan. 1, 2026. All wholesale and retail dealers shall file an inventory with the secretary of the Dept. of Revenue of all cigars on hand Dec. 31, 2025 no later than Feb. 1, 2026.

Effective January 1, 2026.

(Amends R.S. 47:841(A)(2))

Summary of Amendments Adopted by House

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

1. Make the change to the rate of the tax levied on cigars invoiced by manufacturers at more than \$120 per 1,000 to 50¢ per cigar applicable from Jan. 1, 2026, through Dec. 31, 2027.
2. Reinstate the rate of the tax levied on cigars invoiced by manufacturers at more than \$120 per 1,000 in present law (20% of the invoice price) on Jan. 1, 2028, and thereafter.
3. Change the effective date of proposed law from July 1, 2025, to Jan. 1, 2026.
4. Require retail dealers and wholesale dealers to file an inventory of cigars on hand on Dec. 31, 2025, with the secretary of the Dept. of Revenue by Feb. 1, 2026.

The House Floor Amendments to the engrossed bill:

1. Reinstate the tax rate in present law for cigars invoiced by manufacturers at more than \$120 per 1,000 but less than \$2,500 per 1,000 to 20% of the invoice price.
2. Change the tax rate for cigars invoiced by manufacturers at more than \$2,500 per 1,000 to 50¢ per cigar.