
DIGEST

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HB 515 Original

2015 Regular Session

Ritchie

Abstract: Levies an additional tax on certain cigars, certain 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 smoking tobacco shall be 33% of the invoice price.

Proposed law increases the tax on smoking tobacco which is suitable for smoking in a cigarette 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.

Effective July 1, 2015.

(Amends R.S. 47:841(intro. para.), (A)(1), (C), (E), and (F); Adds R.S. 47:841(G))