

2015 Regular Session

HOUSE BILL NO. 811

BY REPRESENTATIVE WOODRUFF

TAX/SALES & USE: Levies a tax upon sugar-sweetened beverages and dedicates the proceeds of the tax

1 AN ACT

2 To enact R.S. 3:296(F) and R.S. 47:881 through 884, relative to state taxes; to impose a state
3 tax on sugar-sweetened beverages; to provide for the rate of the tax; to provide for
4 definitions; to provide for payment and collection of taxes; to dedicate the proceeds
5 to the tax; to create a special treasury fund; to provide for the deposit of the monies
6 into the fund; to provide for the use of the monies in the fund; to provide for
7 effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 3:296(F) is hereby enacted to read as follows:

10 §296. Healthy Food Retail Act; definitions; purpose

11 * * *

12 F. The Healthy Food Retail Fund, hereinafter referred to as the "fund", is
13 hereby established in the state treasury as a special fund to provide support for the
14 Healthy Food Retail Act as provided for in this Section. The source of monies for
15 the fund shall be a portion of the revenues generated from the state excise tax levied
16 on sugar-sweetened beverages as provided for in R.S. 47:884. Monies in the fund
17 shall be appropriated annually by the legislature to the Department of Agriculture
18 and Forestry, solely to fund the Health Food Retail Act. All unexpended and
19 unencumbered monies in the fund shall be invested by the state treasurer in the same

1 manner as monies in the state general fund, and all earnings on investment of the
2 fund shall be deposited into the fund.

3 Section 2. R.S. 47:881 through 884 are hereby enacted to read as follows:

4 §881. Imposition of tax

5 A. There is hereby levied a tax upon the sale, use, consumption, handling,
6 or distribution of all sugar-sweetened beverages, as defined herein, within the state
7 of Louisiana, at the rate of one cent per four and one-fifths grams of caloric
8 sweetener contained in the sugar-sweetened beverage. The tax levied pursuant to
9 this Section shall be in addition to the levy of any sales and use tax.

10 B. Sweetener taxed only once. In the case of any specific sugar-sweetened
11 beverage product that is manufactured or produced by including one or more other
12 specified sugar-sweetened beverage products, no tax shall be imposed under this
13 Section on any caloric sweetener contained in the resulting specific sugar-sweetened
14 beverage product if tax was previously imposed under this Section on such caloric
15 sweetener that was contained in the specified sugar-sweetened beverage product so
16 included.

17 §882. Definitions

18 As used in this Chapter, the following words and phrases shall have the
19 following meanings unless the context clearly indicates otherwise:

20 (1) "Sugar-sweetened beverage" means:

21 (a) Any liquid intended for human consumption that contains a caloric
22 sweetener.

23 (b) Any liquid or solid mixture of ingredients containing a caloric sweetener
24 intended for use as an ingredient in a liquid for human consumption that contains a
25 caloric sweetener.

26 (c) The following ingredients or materials are specifically excluded from the
27 definition of "sugar-sweetened beverage":

1 (i) Any liquid, the primary ingredients of which are milk, soy, rice, or other
2 plant-based milk substitute.

3 (ii) Any liquid composed entirely of one or more of the following:

4 (aa) The original liquid resulting from the pressing of fruit or vegetables.

5 (bb) The liquid resulting from the reconstitution of fruit or vegetable juice
6 concentrate.

7 (cc) The liquid resulting from the restoration of water to dehydrated fruit or
8 vegetable juice.

9 (iii) Infant formula.

10 (iv) Any liquid product manufactured for use as any of the following:

11 (aa) An oral nutritional therapy for persons who cannot absorb or metabolize
12 dietary nutrients from food or beverages.

13 (bb) A source of necessary nutrition used due to a medical condition.

14 (cc) An oral electrolyte solution for infants and children formulated to
15 prevent dehydration due to illness.

16 (v) Any liquid with respect to which tax is imposed under Part III of Chapter
17 2 of Title 26 of the Louisiana Revised Statutes of 1950.

18 (2) "Caloric sweetener" means monosaccharides, disaccharides, and high-
19 fructose corn syrup.

20 §883. Collection

21 The tax levied pursuant to this Chapter shall be collected, remitted, and
22 reported in the same manner as the taxes levied in Chapter 2 of Subtitle II of Title
23 47 of the Louisiana Revised Statutes of 1950; however taxes collected pursuant to
24 the provisions of this Chapter shall be distinguished from the taxes collected
25 pursuant to the provisions of Chapter 2 of Subtitle II of Title 47 on the form used for
26 reporting the taxes collected to the Department of Revenue.

27 §884. Disposition of proceeds of the tax

28 A. The state treasurer shall annually deposit monies generated from the tax
29 on sugar-sweetened beverages imposed pursuant to this Chapter as follows:

1 (1) Twenty million dollars into the Healthy Food Retail Fund, as provided
2 for in R.S. 3:296(F).

3 (2) Twenty million dollars to the office of public health, Department of
4 Health and Hospitals, to fund statewide diabetes, heart disease, and obesity
5 programs.

6 (3) Twenty million dollars to the Department of Education for the targeted
7 coordinated school health program and the school nurse program.

8 (4) Any remaining monies to the state general fund.

9 B. If, in any fiscal year, monies generated from the tax imposed pursuant to
10 this Chapter are insufficient to provide for the allocation established in Paragraph (1)
11 of Subsection (A) of this Section, the state treasurer shall transfer an equal amount
12 of monies generated from the tax to the Healthy Food Retail Fund, the office of
13 public health, Department of Health and Hospitals, and the Department of Education.

14 Section 3. This Act shall become effective on July 1, 2015; if vetoed by the governor
15 and subsequently approved by the legislature, this Act shall become effective on July 1,
16 2015, or on the day following such approval by the legislature, whichever is later.

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 811 Original

2015 Regular Session

Woodruff

Abstract: Levies a state excise tax of 1¢ per 4.2 grams of caloric sweetener contained in certain sugar-sweetened beverages and dedicates a portion of the revenue to the Healthy Food Retail Fund, certain diabetes, heart disease, and obesity programs, and certain school health and nurse programs.

Present law establishes the Health Food Retail Act that requires the Dept. of Agriculture and Forestry, to the extent funds are available, to establish a financing program that provides grants and loans to healthy food retailers that increase access to fresh fruits and vegetables and other affordable healthy food in underserved communities through projects that create or improve certain qualified healthy food retail outlets. Requires the department to establish program benchmarks and reporting processes to make certain that the program benefits both rural and urban communities in this state. Further requires the department to establish monitoring and accountability mechanisms for projects receiving grants or loans, such as tracking fruit and vegetable sales data.

Proposed law retains present law but creates the Healthy Food Retail Fund in the state treasury as a special fund to provide support for the Healthy Food Retail Act. Proposed law

further provides that the source of the monies shall be a portion of the funds generated from the state excise tax levied on sugar-sweetened beverages in proposed law.

Proposed law levies a state excise tax of 1¢ per 4.2 grams of caloric sweetener contained in certain sugar-sweetened beverages and dedicates a portion of the revenue generated from the tax to the Healthy Food Retail Fund established in proposed law and statewide diabetes, heart disease, and obesity programs through the office of public health, Department of Health and Hospitals.

Proposed law defines "sugar-sweetened beverage" to mean any liquid intended for human consumption that contains a caloric sweetener or any liquid or solid mixture of ingredients that contains a caloric sweetener that is intended for use as an ingredient in a liquid intended for human consumption.

Proposed law excludes the following from taxation under proposed law:

- (1) Certain fruit or vegetable juices.
- (2) Infant formula.
- (3) Oral nutritional therapy for certain individuals.
- (4) Alcoholic beverages already taxed under present law.

Proposed law dedicates \$20M of revenue generated annually by the tax to the Healthy Food Retail Fund to fund the Healthy Food Retail Act, \$20M to the office of public health for statewide diabetes, heart disease, and obesity programs, \$20M to the Dept. of Education for the targeted coordinated school health program and the school nurse program, and the balance to the state general fund. Further requires equal amounts to be distributed to the Healthy Food Retail Fund, the office of public health, and the Dept. of Education in fiscal years where insufficient revenues are generate to provide \$20M to each entity.

Effective July 1, 2015.

(Adds R.S. 3:296(F) and R.S. 47:881-884)