

ACT No. 331

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 AND SENATOR MILLS

1 AN ACT

2 To amend and reenact R.S. 28:826(B)(1) and (C)(1), R.S. 40:1046(H)(8)(a), R.S.
3 40:1046(H)(8)(a) as enacted by Section 1 of Act No. 567 and Section 2 of Act No.
4 96, both of the 2016 Regular Session of the Legislature of Louisiana, and R.S.
5 47:287.73(C)(4) and to enact R.S. 47:287.73(C)(1), 301(10)(ii), 302(BB)(110),
6 321(P)(111), 321.1(I)(111), and 331(V)(111), relative to the gross sales of
7 therapeutic marijuana; to authorize a fee on the gross sales of therapeutic marijuana;
8 to dedicate the proceeds of the fee; to provide for use of the proceeds; to allow a
9 corporate income tax deduction for certain ordinary business expenses of state
10 licensees; to exclude sales of marijuana recommended for therapeutic use from state
11 and local sales and use tax; to provide for the effectiveness of certain sales and use
12 tax exclusions; to provide for an effective date; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

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

16 §826. Community and Family Support System Fund

17 * * *

18 B.(1) Notwithstanding any other provision of law to the contrary, after
19 compliance with the requirements of Article VII, Section 9(B) of the Constitution of
20 Louisiana relative to the Bond Security and Redemption Fund, and after a sufficient
21 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.

30 (ii) Collect a nonrefundable application fee of ten thousand dollars.

(iii) ~~Receive an amount not to exceed seven percent of the gross sales.~~
Assess a fee of seven percent of the gross sales of therapeutic marijuana that shall be collected by the Department of Revenue and shall be subject to the provisions of Chapter 18 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 as amended. Notwithstanding the provisions of Subparagraph (b) of this Paragraph, the Department of Revenue shall transfer monthly to the state treasury for deposit into the Community and Family Support System Fund, as established in R.S. 28:826, the amount of revenues collected in accordance with this Item. An amount shall be allocated to the department, pursuant to legislative appropriation, for regulatory, administrative, investigative, enforcement, legal, and other such expenses as may be necessary to carry out the provisions of this Chapter and for activities associated with the enforcement of law and regulations governing the therapeutic marijuana program.

* * *

Section 3. R.S. 40:1046(H)(8)(a) as enacted by Section 1 of Act No. 567 and Section 2 of Act No. 96, both of the 2016 Regular Session of the Legislature of Louisiana, is hereby amended and reenacted to read as follows:

§1046. Prescription of marijuana for therapeutic use; rules and regulations; Louisiana Board of Pharmacy and the adoption of rules and regulations relating to the dispensing of prescribed marijuana for therapeutic use; the Department of Agriculture and Forestry and the licensure of a production facility

* * *

H.

* * *

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

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

(ii) Collect a nonrefundable application fee of ten thousand dollars.

1 (4) Expenses disallowed by ~~I.R.C. Section 280(C)~~ 26 U.S.C. 280C. Expenses
 2 ~~which~~ that would otherwise be deductible under federal law; but for the disallowance
 3 provisions of ~~I.R.C. Section 280(C)~~ 26 U.S.C. 280C, relative to certain expenses for
 4 which credits are allowable.

5 * * *

6 §301. Definitions

7 As used in this Chapter the following words, terms, and phrases have the
 8 meanings ascribed to them in this Section, unless the context clearly indicates a
 9 different meaning:

10 * * *

11 (10)

12 * * *

13 (ii) For purposes of sales and use tax imposed by the state or any political
 14 subdivision of the state, the term "retail sale" or "sale at retail" shall not include
 15 marijuana recommended for therapeutic use by patients clinically diagnosed as
 16 suffering from a debilitating medical condition as defined in R.S. 40:1046.

17 * * *

18 §302. Imposition of tax

19 * * *

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

25 * * *

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

28 * * *

29 §321. Imposition of tax

30 * * *

1 P. Notwithstanding any other provision of law to the contrary, including but
 2 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 (111) Sales of marijuana recommended for therapeutic use as provided in
 8 R.S. 47:301(10)(ii).

9 * * *

10 §321.1. Imposition of tax

11 * * *

12 I. 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 §331. Imposition of tax

22 * * *

23 V. 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 * * *

