
DIGEST

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HB 434 Original

2021 Regular Session

Nelson

Abstract: Levies a tax on cannabis, dedicates the avails of the tax, and repeals the marijuana tax levied on certain dealers.

Proposed law levies a 10% tax upon each cannabis retail sale. Defines "cannabis retail sale" as the sale of a cannabis product by a retailer to a consumer. Provides that the tax is levied in addition to state and local sales and use tax or any other tax and shall be reported and paid by the retailer.

Proposed law levies a 5% tax upon each cannabis wholesale sale. Defines "cannabis wholesale sale" as the sale of cannabis by a commercial grower licensee to a retailer or the sale of a cannabis product by a cannabis processor licensee to a retailer. Provides that the tax is reported and paid by the commercial grower licensee or cannabis processor licensee, as applicable.

Proposed law provides that it does not apply to any product subject to tax pursuant to present law (R.S. 47:1693) or subject to a fee pursuant to present law (R.S. 40:1046).

Proposed law provides that 20% of the taxes levied pursuant proposed law shall be remitted to the municipality in which the sale occurred to be used for law enforcement in the municipality. However, provides that if the sale did not take place in a municipality, 20% of the taxes levied pursuant to proposed law shall instead be remitted to the sheriff for the parish in which the sale occurred to be used for law enforcement in the parish.

Proposed law provides that 30% of the taxes levied pursuant to proposed law shall be remitted to the municipality in which the sale occurred. However, provides that if the sale did not take place in a municipality, 30% of the taxes levied pursuant to proposed law shall instead be remitted to the parish in which the sale occurred.

Proposed law provides that the remaining 50% of the taxes levied pursuant to proposed law shall be paid into the state treasury and, after compliance with the requirements of present constitution (Art. VII, §9(B)) relative to the Bond Security and Redemption Fund, shall be credited to the state general fund.

Proposed law provides for definitions.

Present law provides for the imposition of a tax on marijuana to be paid by marijuana dealers at the rate of \$3.50 per gram. In order to enforce the tax, marijuana dealers must purchase tax stamps from the Dept. of Revenue and affix the stamp to the marijuana container or package to evidence that the

tax has been paid.

Proposed law repeals the imposition of the tax on marijuana and all provisions relative to the tax stamp.

Effective if and when House Bill No. ___ of this 2021 R.S. is enacted and becomes effective.

(Amends the heading of Part I of Chapter 3 of Subtitle IV of Title 47, R.S. 47:2601, 2602(2), 2603(A) and (C), 2604, 2607(A) and (C), and 2610; Adds R.S. 47:1699.1-1699.5; Repeals R.S. 47:2602(3))