
DIGEST

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HB 635 Engrossed

2023 Regular Session

Hollis

Abstract: Increase the rate of the tax levied on vapor products and electronic cigarettes from \$0.05 per milliliter of consumable nicotine liquid solution to \$0.30 per milliliter of consumable nicotine liquid solution and dedicates the first \$22M of the avails of the tax to funding salaries and related benefits of the La. State Police.

Present law levies an excise tax on vapor products and electronic cigarettes at a rate of \$0.05 per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.

Proposed law increases the rate of the tax levied on vapor products and electronic cigarettes from \$0.05 per milliliter of consumable nicotine liquid solution to \$0.30 per milliliter of consumable nicotine liquid solution.

Present law defines "vapor product" to mean any noncombustible product containing nicotine or other substances that employ a heating element, power source, electronic circuit, or other electronic, chemical or mechanical means, regardless of shape or size, used to produce vapor from nicotine in a solution or other form. Includes any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device and any vapor cartridge or other container of nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. Proposed law retains present law.

Present law (R.S. 22:831) establishes the La. State Police Salary Fund (fund) to be used to cover the cost of salary increases and related benefits for members of the state police service and for special law enforcement initiatives. Present law requires the treasurer to annually deposit up to \$15.6 million into the fund from the avails of taxes collected on certain types of insurance specified in present law that are in excess of total collections for such insurance in Fiscal Year 2000-2001.

Proposed law additionally deposits into the fund the first \$22M of the avails of the excise tax levied on vapor products and electronic cigarettes.

Effective July 1, 2023.

(Amends R.S. 22:831(B) and R.S. 47:841(F))

Summary of Amendments Adopted by House

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

1. Change the increase of the tax levied on vapor products and electronic cigarettes from 15% of the retail sales price of vapor products and electronic cigarettes to \$0.30 per milliliter of consumable nicotine liquid solution.
2. Change the amount of the tax proceeds dedicated to the La. State Police Salary Fund from one-half of the avails of the excise tax on vapor products and electronic cigarettes to the first \$22M of the avails of the excise tax levied on vapor products and electronic cigarettes.