

2025 Regular Session

HOUSE BILL NO. 398

BY REPRESENTATIVE BRASS

TAX/TOBACCO TAX: Increases the tax levied on smokeless tobacco and dedicates a portion of avails of the tax into the Youth Cessation and Prevention Fund

1 AN ACT

2 To amend and reenact R.S. 47:841(E) and to enact R.S. 47:841.2, relative to the tobacco tax;
3 to increase the tax levied on smokeless tobacco; to establish the Youth Cessation and
4 Prevention Fund as a special fund in the state treasury; to provide for the transfer,
5 deposit, and use of the monies in the fund; to provide with respect to the application
6 of the tax on smokeless tobacco in the inventory of certain retail and wholesale
7 dealers; to provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:841(E) is hereby amended and reenacted and R.S. 47:841.2 is
10 hereby enacted to read as follows:

11 §841. Imposition of tax

12 There is hereby levied a tax upon the sale, use, consumption, handling, or
13 distribution of all cigars, cigarettes, smoking and smokeless tobacco, and vapor
14 products and electronic cigarettes as defined herein, within the state of Louisiana,
15 according to the classification and rates hereinafter set forth:

16 * * *

17 E. Smokeless tobacco. Upon smokeless tobacco, a tax of ~~twenty~~ thirty-three
18 percent of the invoice price as defined in this Chapter.

19 * * *

1 §841.2. Youth Cessation and Prevention Fund

2 A. There is hereby created as a special fund in the state treasury the "Youth
3 Cessation and Prevention Fund", hereinafter referred in this Section as the "fund".
4 After satisfying the requirements of Article VII, Section 9(B) of the Constitution of
5 Louisiana relative to the Bond Security and Redemption Fund and after a sufficient
6 amount is allocated from that fund to pay all of the obligations secured by the full
7 faith and credit of the state which become due and payable within any fiscal year, the
8 state treasurer shall annually deposit into the fund an amount equal to twenty percent
9 of the avails of the tax imposed pursuant to the provisions of R.S. 47:841(E).

10 B. All unexpended and unencumbered monies in the fund at the end of the
11 fiscal year shall remain in the fund. The monies in the fund shall be invested by the
12 state treasurer in the same manner as monies in the state general fund and all
13 earnings on investment of monies in the fund shall be deposited into the fund.
14 Monies appropriated from the fund shall be used solely as provided in Subsection C
15 of this Section.

16 C. Monies in the fund shall be spent in accordance with evidence-based
17 practices to address youth and adult prevention and cessation of tobacco, nicotine,
18 and e-cigarette product use. Subject to an annual appropriation by the legislature,
19 monies in the fund shall be appropriated as follows:

20 (1) Forty percent to the Louisiana Cancer Research Center, established
21 pursuant to R.S. 17:1922.

22 (2) Forty percent to the Louisiana Department of Health, Office of Public
23 Health, Bureau of Chronic Disease Prevention and Healthcare Access, for the
24 tobacco related disease program administered by the Well-Ahead Louisiana
25 Program.

26 (3) Ten percent to the Cancer Center of Louisiana State University Health
27 Sciences Center in Shreveport.

28 (4) Ten percent to the Mary Bird Perkins Cancer Center in Gonzales.

1 D. No amount appropriated as required in this Section shall displace, replace,
 2 or supplant appropriations from the state general fund for the recipients of the fund.
 3 This shall mean that no appropriation for any fiscal year from the fund shall be made
 4 for any purpose for which a general fund appropriation was made in the previous
 5 year unless the total appropriations for the fiscal year from the state general fund for
 6 such purpose exceed general fund appropriations for the previous year.

7 Section 2. The increase in the tax imposed on smokeless tobacco by this Act shall
 8 apply to all smokeless tobacco products purchased by retail dealers and wholesale dealers
 9 on and after July 1, 2025, and shall not apply to stamped products and unused tax stamps in
 10 the possession of wholesale dealers prior to July 1, 2025. All wholesale and retail dealers
 11 shall file an inventory with the secretary of the Department of Revenue of all smokeless
 12 tobacco products on hand prior to July 1, 2025. The inventory shall be filed by August 1,
 13 2025. The secretary of the Department of Revenue shall have authority to adopt rules and
 14 regulations as to the filing of the inventory report.

15 Section 3. This Act shall become effective on July 1, 2025.

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 398 Original

2025 Regular Session

Brass

Abstract: Increases the excise tax levied on smokeless tobacco from 20% of the invoice price to 33% of the invoice price and dedicates a portion of the avails of the tax levied on smokeless tobacco to the Youth Cessation and Prevention Fund to be used to address youth and adult prevention and cessation of tobacco product use.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all smokeless tobacco. The rate of tax is 20% of the invoice price of smokeless tobacco.

Proposed law increases the tax levied on smokeless tobacco from 20% of the invoice price to 33% of the invoice price.

Proposed law establishes the "Youth Cessation and Prevention Fund", (fund) as a special fund in the state treasury. After satisfying present constitution requirements relative to the Bond Security and Redemption Fund, the state treasurer shall annually deposit into the fund an amount equal to 20% of the avails of the tax imposed on smokeless tobacco

Proposed law requires monies in the fund to be spent on evidence-based practices addressing youth and adult prevention and cessation of tobacco, nicotine, and e-cigarette product use. Further requires monies to be appropriated from the fund as follows:

- (1) 40% to the La. Cancer Research Center.
- (2) 40% to the La. Dept. of Health, Office of Public Health, Bureau of Chronic Disease Prevention and Healthcare Access, for the tobacco related disease program administered by the Well-Ahead La. Program.
- (3) 10% to the Cancer Center of La. State University Health Sciences Center in Shreveport.
- (4) 10% to the Mary Bird Perkins Cancer Center in Gonzales.

Proposed law prohibits amounts appropriated to the fund from displacing, replacing, or supplanting appropriations from the state general fund for the recipients of the fund.

Proposed law provides that the increase in the tax imposed on smokeless tobacco shall apply to all smokeless tobacco products purchased by retail dealers and wholesale dealers on and after July 1, 2025, and shall not apply to stamped products and unused tax stamps in the possession of wholesale dealers prior to July 1, 2025. All wholesale and retail dealers are required to file an inventory with the secretary of the Dept. of Revenue of all smokeless tobacco products on hand prior to July 1, 2025. The inventory shall be filed by Aug. 1, 2025.

Effective July 1, 2025.

(Amends R.S. 47:841(E); Adds R.S. 47:841.2)