
DIGEST

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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)