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## DIGEST

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HB 668 Original

2025 Regular Session

Wright

**Abstract:** Continues in *statute* 4¢ of the \$1.08 per pack state excise tax levied on cigarettes levied in present constitution and authorizes a reduced excise tax rate on certain modified risk tobacco products.

Present law provides for the levy of a state excise tax on the sale, use, consumption, handling, or distribution of all cigars, cigarettes, smoking and smokeless tobacco, and vapor products and electronic cigarettes within the state according to the following classifications and rates:

- (1) Cigars - 8% of the invoice price on cigars invoiced by the manufacturer at \$120 per 1,000 or less and 20% of the invoice price on cigars invoiced by the manufacturer at more than \$120 per 1,000.
- (2) Cigarettes - \$1.08 per pack of 20 cigarettes.
- (3) Smoking tobacco - 33% of the invoice price.
- (4) Smokeless tobacco - 20% of the invoice price.
- (5) Vapor products and electronic cigarettes - 15¢ per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.

Present constitution continues the levy of the 4¢ per cigarette of the total \$1.08 per pack state excise tax levied on cigarettes that expired in present law in 2012 in the constitution.

Proposed law retains present law with respect to the excise taxes levied on tobacco products and retains present constitution with respect to the continuance of the additional 4¢ excise tax levied on cigarettes but provides for the levy of the additional 4¢ per cigarette excise tax in *statute* in order for all levies of the state excise tax on cigarettes to be statutorily imposed. Proposed law retains the total state excise tax levied on cigarettes at \$1.08 per pack.

Proposed law provides for a 60% reduction in the tax rates levied in present law on various tobacco products that are issued a risk modification order pursuant to present federal law (21 U.S.C. 387k(g)(1)) that are commercially marketed and will significantly reduce harm and the risk of tobacco-related disease to individual users and are shown to benefit the health of the population as a whole.

Proposed law provides for a 25% reduction in the tax rates levied in present law on various tobacco products that are issued a risk modification order pursuant to present federal law (21 U.S.C. 387k(g)(2)) that are delivered in interstate commerce that may not be commercially marketed if the product appears to promote public health, the product or its smoke does not contain or contains a reduced level of exposure to a substance in tobacco smoke.

Present law provides for definitions for the imposition and administration of the state excise tax levied on tobacco products. Proposed law retains present law but adds definitions for "invoice price" for purposes of determining the tax on promotional incentives. Further defines "manufacturer's net invoiced price".

Present law defines a "cigarette" as any roll for smoking entirely or partially made of tobacco, regardless of its size or shape and regardless of the tobacco being flavored, adulterated or mixed with any other ingredient, where the roll has a wrapper made of any material except tobacco.

Proposed law retains present law but adds that a "cigarette" includes any roll for heating pursuant to ordinary conditions of use made wholly or in part of tobacco.

Proposed law is applicable to taxable periods beginning on or after July 1, 2025.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:841(B) and 842; Adds R.S. 47:841(H))