

RÉSUMÉ DIGEST

ACT 266 (HB 325)

2025 Regular Session

Bryant

Existing law provides for the levy of a tax on the sale, use, consumption, handling, or distribution of all cigars, cigarettes, smoking and smokeless tobacco, and vapor products and electronic cigarettes. The amount of the tax levied on cigars invoiced by manufacturers at \$120 per 1,000 or less is equal to 8% of the invoice price. Existing law provides that the amount of the tax levied on cigars invoiced by manufacturers at more than \$120 per 1,000 is equal to 20% of the invoice price until Jan. 1, 2026.

New law changes the tax levied on cigars invoiced by manufacturers at more than \$120 per 1,000 as follows:

- (1) Beginning Jan. 1, 2026, through Dec. 31, 2027, the tax rate is 20% of the invoice price for cigars invoiced by a manufacturer at more than \$120 per 1,000 but less than \$2,500 per 1,000.
- (2) Beginning Jan. 1, 2026, through Dec. 31, 2027, the tax rate is 50¢ per cigar for cigars invoiced by the manufacturer at \$2,500 or more per 1,000.
- (3) Beginning Jan. 1, 2028, and thereafter, the tax rate is 20% of the invoice price.

New law provides that the tax imposed by new law shall apply to all cigar products purchased by retail dealers and wholesale dealers on and after Jan. 1, 2026. No later than Feb. 1, 2026, all wholesale and retail dealers shall file an inventory with the secretary of the Dept. of Revenue of all cigars on hand as of Dec. 31, 2025.

Effective Jan. 1, 2026.

(Amends R.S. 47:841(A)(2))