

Regular Session, 2011

SENATE BILL NO. 210

BY SENATOR MORRELL

TAX/TAXATION. Temporarily exempts from tobacco tax cigars and smoking tobacco sampled during the Convention of the International Premium Cigar and Pipe Retailers. (8/15/11)

1 AN ACT

2 To amend and reenact R.S. 47:854, relative to the intent and purposes of the tax on tobacco;
3 to exempt certain tobacco products sampled at convention facilities during certain
4 conventions from the purposes of such tax; to provide for the taxable periods in
5 which the exemption applies; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:854 is hereby amended and reenacted to read as follows:

8 §854. Declaration of intent and purpose of Chapter

9 A. It is the intent and purpose of this Chapter to levy an excise tax on all
10 cigars, cigarettes and smoking tobacco, as defined in this Chapter, sold, used,
11 consumed, handled or distributed in this state, except as provided in R.S. 47:855 and
12 to collect same from the dealer who first sells, uses, consumes, handles or distributes
13 the same in the ~~State~~ state of Louisiana.

14 B. It is further the intent and purpose of this Chapter that where a dealer
15 gives away cigars, cigarettes or smoking tobacco for advertising or any other purpose
16 whatsoever the same shall be taxed in the same manner as if they were sold, used,
17 consumed, handled or distributed in this state; **however, for the taxable periods**

1 beginning on and after January 1, 2013 through December 31, 2016 this shall
2 not be construed to include cigars or pipe tobacco, as defined and appropriately
3 labeled in accordance with the Federal Food, Drug, and Cosmetic Act, the
4 Tobacco Control Act, and all applicable state laws, federal laws, and
5 regulations, sampled on the premises of convention facilities during the
6 Convention of the International Premium Cigar and Pipe Retailers.

7 C. At no time shall there be any distribution of free samples of
8 cigarettes, as defined in the Federal Food, Drug, and Cosmetics Act, and the
9 Tobacco Control Act, consistent with 21 CFR 1140.16, and all applicable federal
10 laws and regulations. Furthermore, distribution of free samples of smokeless
11 tobacco, as defined in the Federal Food, Drug, and Cosmetic Act, the Tobacco
12 Control Act, shall only be permitted pursuant to all applicable federal laws and
13 regulations.

The original instrument was prepared by Cathy Wells. The following digest,
which does not constitute a part of the legislative instrument, was prepared
by Danielle Doiron.

DIGEST

Morrell (SB 210)

Present law provides for the levy of a tax upon the sales, use, consumption, handling, or distribution of all cigars, cigarettes, and smoking and smokeless tobacco. Further provides that the tax be collected from the dealer who first sells, uses, consumes, handles, or distributes the tobacco in this state.

Present law provides that where a dealer gives away cigars, cigarettes, or smoking tobacco for advertising or any other purpose whatsoever, the tobacco shall be taxed in the same manner as if they were sold, used, consumed, handled, or distributed in this state.

Proposed law retains present law but exempts, from the state tax on tobacco, cigars, and pipe tobacco sampled on the premises of convention facilities during the Convention of the International Premium Cigar and Pipe Retailers.

Proposed law prohibits the distribution of free samples of cigarettes. Further provides for the distribution of free samples of smokeless tobacco pursuant to all applicable state and federal laws, and regulations.

Effective for taxable periods beginning on and after Jan. 1, 2013 through taxable periods ending on Dec. 31, 2016.

Effective August 15, 2011.

(Amends R.S. 47:854)

Summary of Amendments Adopted by SenateCommittee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Exempts cigars and pipe tobacco from the state tax on tobacco sampled at convention facilities during the Convention of the International Premium Cigar and Pipe Retailers.
2. Extends the effective date for taxable periods to December 31, 2016.
3. Prohibits the distribution of free samples of cigarettes, as defined in the Federal Food, Drug, and Cosmetics Act, and the Tobacco Act, pursuant to all applicable federal laws and regulations.
4. Provides for the distribution of free samples of smokeless tobacco, as defined in the Federal Food, Drug, and Cosmetic Act, the Tobacco Control Act, and pursuant to all applicable federal laws and regulations.