
DIGEST

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HB 119 Engrossed

2015 Regular Session

Ritchie

Abstract: Levies an additional tax of 32¢ per pack of 20 cigarettes thereby increasing the total tax per pack of 20 cigarettes from 36¢ to 68¢ per pack and dedicates the proceeds of the tax to fund Medicaid.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigarettes. The amount of the tax per pack of 20 cigarettes is 36¢.

Proposed law retains present law but levies an additional tax upon cigarettes equal to one and twelve-twentieths of 1¢ per cigarette thereby increasing the total tax per pack of 20 cigarettes from 36¢ per pack to 68¢ per pack of 20 cigarettes.

Proposed law establishes the Tobacco Tax Medicaid Match Fund as a special fund in the state treasury, hereinafter referred to as the "fund". After satisfying the requirements of the Bond Security and Redemption Fund, the state treasurer shall annually deposit into the fund an amount equal to the avails of the tax imposed under proposed law. Further requires the monies in the fund to be appropriated to DHH for the medical assistance program administered by the state, also known as Medicaid.

Proposed law prohibits monies deposited into the fund from displacing or supplanting appropriations from the state general fund for the DHH unless the total appropriations for the fiscal year from the state general fund for such purpose exceed general fund appropriations for the previous year.

Proposed law provides that the additional tax shall apply to all cigarette products purchased by retail dealers and wholesale dealers on and after July 1, 2015, but shall not apply to stamped products and unused tax stamps in the possession of wholesale dealers prior to July 1, 2015. Requires all wholesale and retail dealers to file an inventory with the Dept. of Revenue by Aug. 1, 2015, of all cigarettes on hand prior to July 1, 2015.

Proposed law authorizes the Dept. of Revenue to adopt rules and regulations as to the filing of the inventory report.

Effective July 1, 2015.

(Adds R.S. 47:841(B)(6) and 841.2)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Reduce the amount of the additional tax on cigarettes from \$1.18 per pack to 32¢ per pack bringing the total tax per pack to 68¢.
2. Establish the Tobacco Tax Medicaid Match Fund as a special treasury fund and dedicates the avails of the additional tax into the fund to be used by DHH for the medical assistance program also known as Medicaid.