

2025 Regular Session

HOUSE BILL NO. 517

BY REPRESENTATIVE BRASS

TAX/TOBACCO TAX: Increases the excise tax levied on vapor products and electronic cigarettes and changes the basis of the tax to a percentage of the invoice price of these products

1 AN ACT

2 To amend and reenact R.S. 47:841(F), relative to the tobacco tax; to levy an additional tax
3 on vapor products and electronic cigarettes; to provide for the basis to which the tax
4 is calculated; to provide with respect to the application of the tax on vapor products
5 and electronic cigarettes in the inventory of certain retail and wholesale dealers; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:841(F) is hereby amended and reenacted to read as follows:

9 §841. Imposition of tax

10 There is hereby levied a tax upon the sale, use, consumption, handling, or
11 distribution of all cigars, cigarettes, smoking and smokeless tobacco, and vapor
12 products and electronic cigarettes as defined herein, within the state of Louisiana,
13 according to the classification and rates hereinafter set forth:

14 * * *

15 F. Vapor products and electronic cigarettes. Upon vapor products and
16 electronic cigarettes, a tax of ~~fifteen cents per milliliter of consumable nicotine liquid~~
17 ~~solution or other material containing nicotine that is depleted as a vapor product is~~
18 ~~used~~ thirty-three percent of the invoice price of these products as defined in this
19 Chapter.

20 * * *

1 Section 2. The increase in the tax imposed on vapor products and electronic
2 cigarettes by this Act shall apply to all vapor products and electronic cigarettes purchased
3 by retail dealers and wholesale dealers on and after January 1, 2026. All wholesale and retail
4 dealers shall file an inventory with the secretary of the Department of Revenue of all vapor
5 products and electronic cigarettes on hand as of December 31, 2025. The inventory shall be
6 filed by February 1, 2026. The secretary of the Department of Revenue shall have authority
7 to adopt rules and regulations as to the filing of the inventory report.

8 Section 3. This Act shall become effective on January 1, 2026.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 517 Engrossed

2025 Regular Session

Brass

Abstract: Changes the tax levied on vapor products and electronic cigarettes from .15¢ per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used to 33% of the invoice price of these products.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all vapor products and electronic cigarettes. The rate of tax is .15¢ per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.

Proposed law changes the tax levied on vapor products and electronic cigarettes from .15¢ per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used to 33% of the invoice price of these products.

Proposed law provides that the increase in the tax imposed on vapor products and electronic cigarettes shall apply to all vapor products and electronic cigarettes purchased by retail dealers and wholesale dealers on and after Jan. 1, 2026. All wholesale and retail dealers are required to file an inventory with the secretary of the Dept. of Revenue of all vapor products and electronic cigarettes on hand as of Dec. 31, 2025. The inventory shall be filed by Feb. 1, 2026.

Effective January 1, 2026.

(Amends R.S. 47:841(F))

Summary of Amendments Adopted by House

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

1. Change the effective date of proposed law from July 1, 2025, to Jan. 1, 2026.

2. Change dates with respect to the treatment of floor stock when the tax increase in proposed law becomes effective to require the increase in the tax to apply to all floor stock of vapor products and electronic cigarettes purchased by retailers and wholesale dealers on and after Jan. 1, 2026.
3. Remove references to stamped products and unused stamps in reference to treatment of floor stock.
4. Require wholesale and retail dealers of vapor products and electronic cigarettes to file an inventory of products on hand as of Dec. 31, 2025, and require the inventory to be filed with the Dept. of Revenue by Feb. 1, 2026.