

2019 Regular Session

HOUSE BILL NO. 560

BY REPRESENTATIVE ABRAMSON

TAX/EXCISE: Authorizes the imposition of tax on hemp and CBD

1 AN ACT

2 To enact Chapter 19 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to  
3 be comprised of R.S. 47:1692 through 1696; relative to state excise tax on hemp and  
4 CBD; to levy an excise tax on hemp and CBD; to provide certain definitions; to  
5 provide for the rate of the excise tax; to authorize the promulgation of rules and  
6 regulations; to provide for the use of the avails of the excise tax; to provide for an  
7 effective date; and to provide for related matters; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 19 of Subtitle II of Title 47 of the Louisiana Revised Statutes of  
10 1950, to be comprised of R.S. 47:1692 through 1696 is hereby enacted to read as follows:

11 CHAPTER 4. "HEMP AND CBD TAX"

12 §1692. Definitions

13 As used in this Chapter, the following terms shall have the meaning ascribed  
14 to them in this Section unless the context clearly indicates otherwise;

15 (1) "CBD" means a cannabidiol that is extracted from plants of the Genus  
16 Cannabis plant or from any other source.

17 (2) "CBD product" means any food, potable liquid, concentrate, extract, or  
18 any other product intended for human consumption or use, including a product  
19 intended to be applied to the skin or hair, into which CBD has been has been  
20 incorporated.

1           (3) "Consumer" means either a business entity or a person twenty-one years  
2           of age or older who purchases hemp, hemp products, CBD, or CBD products.

3           (4) "Hemp" means the plant Cannabis sativa and any part of that plant,  
4           including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids,  
5           and salts, isomers, whether growing or not, with a delta-9-tetrahydrocannabinol  
6           concentration of not more than 0.3 percent on a dry weight basis. Hemp does not  
7           include plants of the Genus Cannabis that meet the definition of "marijuana" as  
8           defined in R.S. 47:2602.

9           (5) "Hemp product" means any food, potable liquid, concentrate, extract, or  
10           any other product intended for human consumption or use, including a product  
11           intended to be applied to the skin or hair, into which hemp has been has been  
12           incorporated.

13           (6) "Secretary" means the secretary of the Department of Revenue or his duly  
14           appointed representatives.

15           (7) "Retail sale" means the sale or transfer of hemp, hemp products, CBD,  
16           or CBD products by a retailer to a consumer.

17           (8) "Retailer" means an entity licensed to sell hemp, hemp products, CBD,  
18           or CBD products to a consumer.

19           §1693. Imposition of tax

20           A. There is hereby levied an excise tax upon each retail sale of hemp, hemp  
21           products, CBD and CBD products within the state of Louisiana. The tax levied in  
22           this Chapter shall be at the rate of fifteen percent of the retail sale of hemp, hemp  
23           products, CBD and CBD products. The excise tax shall be levied in addition to state  
24           and local sales and use tax.

25           §1694. Enforcement; use of tax stamps required

26           The secretary shall collect, supervise and enforce the collection of all taxes,  
27           penalties, interest, and other charges that may be due under the provisions of this  
28           Chapter in the same manner provided for by law under the provisions of this Subtitle.  
29           The secretary shall administer legislative mandates contained in this Subtitle. To

1 that end the secretary is vested with all of the power and authority conferred by this  
2 Subtitle, except as conferred upon other officials.

3 A. Tax stamps. In order to enforce the collection of the tax levied by this  
4 Chapter, the secretary shall design and have printed or manufactured stamps of such  
5 size and denomination as may be determined by him and so prepared as to permit  
6 them to be easily affixed to or stamped on hemp, hemp products, CBD or CBD  
7 products, or containers thereof.

8 B. Purchase of stamps. (1) All tax stamps shall be purchased from and sold  
9 by the secretary.

10 (2) The purchase of tax stamps required by this Chapter shall be made to the  
11 secretary on the form provided by the secretary.

12 (3) The purchaser shall pay one hundred percent of the face value for each  
13 stamp at the time of the purchase and payments may be made by cashiers check or  
14 cash.

15 C. Affixing stamps. Stamps shall be affixed by the dealer on the smallest  
16 container or package of hemp, hemp products, CBD, or CBD products that are  
17 subject to the tax, to permit the secretary to readily ascertain by an inspection of any  
18 retailer's stock on hand whether or not the tax has been paid. The retailer shall cause  
19 to be affixed on every unit of hemp, hemp product, CBD, or CBD product on which  
20 a tax is due stamps of an amount equaling the tax due, before any retailer sells, offers  
21 for sale, handles, removes, or otherwise disturbs the same. Each stamp may be used  
22 only once.

23 §1695. Rules and regulations

24 The department may promulgate rules and regulations in accordance with the  
25 Administrative Procedure Act as are necessary to implement the provisions of  
26 this Chapter including, enforcement of the assessment and collection of all taxes,  
27 interest and penalties that may be due under the provisions of this Chapter, use of tax  
28 stamps, investigations and hearings, adoption of a uniform system of providing

1 taxpayer reporting requirements, the destruction of goods, and issuing refunds for  
2 any reason to a taxpayer.

3 §1696. Disposition of collections

4 After satisfaction of the requirements of the Bond Security and Redemption  
5 Fund as required under Article VII, Section 9(B) of the Louisiana Constitution, the  
6 state treasurer shall deposit in and credit to the New Opportunities Waiver Fund the  
7 revenues collected as provided in this Chapter.

8 Section 2. This Act shall take effect and become operative if and when the  
9 Act which originated as House Bill No. 138 of this 2019 Regular Session of the  
10 Legislature is enacted and becomes effective.

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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)]

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HB 560 Original

2019 Regular Session

Abramson

**Abstract:** Authorizes the levy of an excise tax at the rate of 15% on the retail sale of hemp, hemp products, CBD, and CBD products.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property.

Proposed law retains present law and authorizes an excise tax upon the retail sale of hemp, hemp products, CBD, and CBD products by a retailer to a consumer at the rate of 15%.

Proposed law provides certain definitions.

Proposed law authorizes the Dept. of Revenue to collect, supervise, and enforce the collection of taxes, penalties, and interest related to the excise tax. Further establishes that tax stamps are required and the Dept. of Revenue may make rules and regulations in order to carry out the duties of proposed law.

Proposed law dedicates the excise taxes to the New Opportunities Waiver Fund.

Effective if and when House Bill No. 138 of this 2019 R.S. is enacted and becomes effective.

( Adds R.S. 47:1692- 1696)