
DIGEST

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HB 560 Engrossed

2019 Regular Session

Abramson

Abstract: Authorizes the levy of an excise tax at the rate of 3% on the retail sale of hemp-derived 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 levies an excise tax on the sale of hemp-derived CBD products by a retailer to a consumer at the rate of 3% based on the retail sales price of these products, in addition to other taxes, including state and local sales and use taxes.

Proposed law defines "CBD" as cannabidiol.

Proposed law defines "hemp" as any part of the plant *Cannabis sativa*, including the seeds and all derivatives, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis. Hemp does not include plants that meet the definition of marijuana.

Proposed law further defines a "Hemp-derived CBD product" as any hemp-derived product that contains CBD and is intended for consumption or topical use.

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 authorizes the Dept. of Revenue to promulgate rules and regulations to implement the provisions of proposed law.

Proposed law dedicates the avails of the excise taxes levied on hemp to the Early Childhood Education Fund.

Effective if and when House Bill No. 579 of this 2019 R.S. is enacted and becomes effective.

(Applicable for all tax periods beginning on or after Jan. 1, 2020.)

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

Summary of Amendments Adopted by House

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

1. Change the name of and references to the tax from hemp and CBD tax to hemp-derived CBD tax.
2. Decrease the excise tax rate from 15% of the retail sales price of hemp-derived CBD products to 3% of the retail sales price of hemp-derived CBD products.
3. Define hemp-derived CBD products as any hemp-derived product that contains CBD intended for consumption or topical use.
4. Remove the requirement for a consumer to be 21 years of age or older to purchase hemp-derived products.
5. Remove requirement for tax stamps to be purchased and affixed to containers or packages of CBD, CBD products, hemp, and hemp products.
6. Change the contingent effectiveness of proposed law from enactment of HB No. 138 from the 2019 R.S. to enactment of HB No. 579 of the 2019 R.S.
7. Change the dedication of funds derived from the excise tax from the New Opportunities Waiver Fund to the Early Childhood Education Fund.