

2021 Regular Session

HOUSE BILL NO. 514

BY REPRESENTATIVES MAGEE, BOURRIAQUE, BRYANT, GARY CARTER, DUPLESSIS, FREEMAN, HUGHES, JAMES, JORDAN, LACOMBE, LANDRY, LARVADAIN, LYONS, MARCELLE, DUSTIN MILLER, NEWELL, ORGERON, PIERRE, SELDERS, AND WILLARD

TAX/SALES & USE: Levies a state tax on raw or crude marijuana recommended for therapeutic use and provides for the disposition of the collections of the tax

1 AN ACT

2 To amend and reenact R.S. 47:301(10)(ii) and to enact R.S. 47:301.3 and R.S. 51:1286(E),  
3 relative to state sales and use tax; to levy a state sales and use tax on the sale of raw  
4 or crude marijuana recommended for therapeutic use; to provide for the disposition  
5 of state sales and use taxes of raw or crude therapeutic marijuana; to provide for an  
6 effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:301(10)(ii) is hereby amended and reenacted and R.S. 47:301.3  
9 is hereby enacted to read as follows:

10 §301. Definitions

11 As used in this Chapter the following words, terms, and phrases have the  
12 meanings ascribed to them in this Section, unless the context clearly indicates a  
13 different meaning:

14 \* \* \*

15 (10)

16 \* \* \*

17 (ii) ~~For (i) Except as provided in Item (ii) of this Subparagraph,~~ for purposes  
18 of sales and use tax imposed by the state or any political subdivision of the state, the  
19 term "retail sale" or "sale at retail" shall not include marijuana recommended for

1 therapeutic use by patients clinically diagnosed as suffering from a debilitating  
2 medical condition as defined in R.S. 40:1046.

3 (ii) Notwithstanding any provision of law to the contrary, for purposes of  
4 state sales and use tax the term "retail sale" or "sale at retail" shall include all sales  
5 of raw or crude marijuana recommended for therapeutic use.

6 \* \* \*

7 §301.3. Disposition of certain sales and use tax collections

8 Notwithstanding any provision of law to the contrary including R.S. 47:318,  
9 the state sales and use taxes levied in R.S. 47:302, 321, 321.1, and 331 and R.S.  
10 51:1286 on the sales of raw or crude marijuana recommended for therapeutic use  
11 shall be immediately paid into the state treasury, credited to the Bond Security and  
12 Redemption Fund as provided in Article VII, Section (9)(B) of the Constitution of  
13 Louisiana, and deposited into the Construction Subfund of the Transportation Trust  
14 Fund as provided for in Article VII, Section 27(B)(2) of the Constitution of  
15 Louisiana.

16 Section 2. R.S. 51:1286(E) is hereby enacted to read as follows:

17 §1286. Sales and use tax

18 \* \* \*

19 E. Notwithstanding any provision of law to the contrary, the state sales and  
20 use tax levied in this Section on the sales of raw or crude marijuana recommended  
21 for therapeutic use shall be exempt from the requirements provided in Subsection C  
22 of this Section. The state sales and use tax levied in this Section on the sales of raw  
23 or crude marijuana recommended for therapeutic use shall be immediately paid into  
24 the state treasury, credited to the Bond Security and Redemption Fund as provided  
25 in Article VII, Section (9)(B) of the Constitution of Louisiana, and deposited into the  
26 Construction Subfund of the Transportation Trust Fund as provided for in Article  
27 VII, Section 27(B)(2) of the Constitution of Louisiana.

1 Section 3. This Act shall take effect and become operative if and when the Act  
 2 which originated as House Bill No. 391 of this 2021 Regular Session of the Legislature is  
 3 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 514 Reengrossed

2021 Regular Session

Magee

**Abstract:** Levies a state sales and use tax on raw or crude marijuana recommended for therapeutic use and provides for the disposition of the collections of the tax.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies in the following amounts:

R.S. 47:302 - 2%

R.S. 47:321 - 1%

R.S. 47:321.1 - .45%

R.S. 47:331 - .97%

R.S. 51:1286 - .03%

Present law provides a state and local sales and use tax exclusion for sales of marijuana recommended for therapeutic use.

Proposed law retains present law but excludes raw or crude marijuana recommended for therapeutic use from the exclusion in present law.

Proposed law levies a state sales and use tax on raw or crude marijuana recommended for therapeutic use.

Present law provides that of the collections of state sales and use taxes levied in present law (R.S. 47:302, 321, 321.1, and 331), .4% of the taxes are deposited into the LED Marketing fund and the remainder of the collections are deposited into the state general fund.

Proposed law provides instead that the collections of state sales and use taxes levied on sales of raw or crude marijuana recommended for therapeutic use shall be deposited into the Construction Subfund of the Transportation Trust Fund (subfund).

Present law levies a .03% state sales and use tax (R.S. 51:1286), the collections of which are pledged to pay for the levy and collection of the sales tax and to pay for media advertisements for the promotion of the state's tourism industry.

Proposed law provides that all proceeds of the .03% tax levied in present law from sales of raw or crude marijuana recommended for therapeutic use shall be deposited into the subfund. Otherwise retains present law.

Effective upon the enactment of HB No. 391 of the 2021 Regular Session.

(Amends R.S. 47:301(10)(ii); Adds R.S. 47:301.3 and R.S. 51:1286(E))

Summary of Amendments Adopted by House

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

1. Specify that proposed law provides an exception to the current state sales and use tax exclusion for raw and crude marijuana recommended for therapeutic use.
2. Provide that proposed law will be effective if and when House Bill No. 391 of the 2021 Regular Session is enacted and becomes effective.