
DIGEST

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HB 620 Original

2023 Regular Session

Freiberg

Abstract: Levies a tax on retail sales of cannabis and dedicates portions of the avails of the tax to the state general fund, the La. Early Childhood Education Fund, and the Justice System Funding Program created by proposed law.

Proposed law levies a 15% tax upon each cannabis retail sale. Defines "cannabis retail sale", in pertinent part, as the sale of a cannabis product by a state-licensed or -permitted cannabis retailer to a consumer. Provides that the tax shall be levied in addition to any other applicable tax, including state and local sales and use taxes, and shall be reported and paid by the retailer.

Proposed law stipulates that its provisions do not apply to any of the following:

- (1) Any product subject to taxation pursuant to present law relative to consumable hemp (R.S. 47:1692 et seq.).
- (2) Any product subject to a fee pursuant to present law relative to therapeutic marijuana (R.S. 40:1046(H)(8)).

Proposed law requires that the avails of the tax collected pursuant to proposed law be distributed as follows:

- (1) 20% to the La. Early Childhood Education Fund created by present law (R.S. 17:407.30).
- (2) 30% to be appropriated to the La. Supreme Court's Justice System Funding Program created by proposed law.

Proposed law creates within the La. Supreme Court the Justice System Funding Program. Provides that the judicial administrator of the supreme court shall administer the program and that the functions of the program shall include, without limitation, all of the following:

- (1) To award funding to local court systems for the purpose of replacing revenues from court fees that are imposed upon criminal defendants specifically to fund court operations, contingent upon the abolition or reduction of those fees.
- (2) To award funding to local court systems for the purpose of replacing revenues from fines and fees imposed upon criminal defendants, which revenues fund public defender programs, district attorneys' offices, criminalistics laboratories, and other essential parts of the justice

system, contingent upon the abolition or reduction of those fines and fees.

Proposed law requires the supreme court to fund awards made through the program and administrative costs of the program with monies appropriated to it for these specific purposes, including but not limited to the appropriations required by proposed law relative to taxation of retail sales of cannabis.

Effective on the effective date of any Act that establishes a system of state regulation for the lawful cultivation, processing, and manufacturing of cannabis and cannabis products.

(Adds R.S. 13:91-93 and R.S. 47:1699.1-1699.5)