

2023 Regular Session

HOUSE BILL NO. 635

BY REPRESENTATIVE HOLLIS

REVENUE/TAXATION DEPT: Increases the rate of the excise tax on vapor products and electronic cigarettes and dedicates a portion of the avails of such increase to payment of salaries and related benefits for La. State Police

1 AN ACT

2 To amend and reenact R.S. 22:831(B) and R.S. 47:841(F), relative to excise tax; to increase  
3 the rate of the excise tax levied on vapor products and electronic cigarettes; to  
4 dedicate a portion of the avails of such tax; to provide for an effective date; and to  
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:831(B) is hereby amended and reenacted to read as follows:

8 §831. Fire, marine, transportation, casualty, surety, or other insurance

9 \* \* \*

10 B. There is hereby created in the state treasury as a special fund the  
11 Louisiana State Police Salary Fund, hereafter referred to in this Subsection as the  
12 "fund". Monies in the ~~Louisiana State Police Salary Fund~~ fund shall be used in  
13 amounts appropriated by the legislature to cover the cost of salary increases and  
14 related benefits for members of the state police service and for special law  
15 enforcement initiatives. After allocation of money to the Bond Security and  
16 Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of  
17 Louisiana, the treasurer shall deposit in and credit to the fund amounts received as  
18 follows:



Proposed law increases the rate of the tax levied on vapor products and electronic cigarettes from \$0.05 per milliliter of consumable nicotine liquid solution to \$0.30 per milliliter of consumable nicotine liquid solution.

Present law defines "vapor product" to mean any noncombustible product containing nicotine or other substances that employ a heating element, power source, electronic circuit, or other electronic, chemical or mechanical means, regardless of shape or size, used to produce vapor from nicotine in a solution or other form. Includes any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device and any vapor cartridge or other container of nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. Proposed law retains present law.

Present law (R.S. 22:831) establishes the La. State Police Salary Fund (fund) to be used to cover the cost of salary increases and related benefits for members of the state police service and for special law enforcement initiatives. Present law requires the treasurer to annually deposit up to \$15.6 million into the fund from the avails of taxes collected on certain types of insurance specified in present law that are in excess of total collections for such insurance in Fiscal Year 2000-2001.

Proposed law additionally deposits into the fund the first \$22M of the avails of the excise tax levied on vapor products and electronic cigarettes.

Effective July 1, 2023.

(Amends R.S. 22:831(B) and 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 increase of the tax levied on vapor products and electronic cigarettes from 15% of the retail sales price of vapor products and electronic cigarettes to \$0.30 per milliliter of consumable nicotine liquid solution.
2. Change the amount of the tax proceeds dedicated to the La. State Police Salary Fund from one-half of the avails of the excise tax on vapor products and electronic cigarettes to the first \$22M of the avails of the excise tax levied on vapor products and electronic cigarettes.