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:

1	(1) Taxes The avails of taxes collected under the provisions of this Section		
2	in Fiscal Year 2002-2003 and ensuing fiscal years that are in excess of total		
3	collections under the provisions of this Section in Fiscal Year 2000-2001, after fir		
4	having been credited to the Bond Security and Redemption Fund as required by		
5	Article VII, Section 9(B) of the Constitution of Louisiana, shall be deposited into the		
6	Louisiana State Police Salary Fund until the amount deposited in each fiscal year is		
7	equal to fifteen million six hundred thousand dollars.		
8	(2) The first twenty-two million dollars of the avails of the excise tax levied		
9	pursuant to R.S. 47:841(F).		
10	Section 2. R.S. 47:841(F) is hereby amended and reenacted to read as follows:		
11	§841. Imposition of tax		
12	* * *		
13	F. Vapor products and electronic cigarettes. Upon vapor products and		
14	electronic cigarettes, a tax of five thirty cents per milliliter of consumable nicotine		
15	liquid solution or other material containing nicotine that is depleted as a vapor		
16	product is used.		
17	* * *		
18	Section 3. This Act shall become effective on July 1, 2023; if vetoed by the governor		
19	and subsequently approved by the legislature, this Act shall become effective on July 1,		
20	2023, or on the day following such approval by the legislature, whichever is later.		

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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2023 Regular Session

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Abstract: Increase the rate of the tax levied on vapor products and electronic cigarettes <u>from</u> \$0.05 per milliliter of consumable nicotine liquid solution to \$0.30 per milliliter of consumable nicotine liquid solution and dedicates the first \$22M of the avails of the tax to funding salaries and related benefits of the La. State Police.

<u>Present law</u> levies an excise tax on vapor products and electronic cigarettes at a rate of \$0.05 per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.

<u>Proposed law</u> increases the rate of the tax levied on vapor products and electronic cigarettes $\frac{\text{from}}{1000}$ \$0.05 per milliliter of consumable nicotine liquid solution $\frac{10}{100}$ \$0.30 per milliliter of consumable nicotine liquid solution.

<u>Present law</u> 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.

<u>Present law</u> (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. <u>Present law</u> 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 <u>present law</u> that are in excess of total collections for such insurance in Fiscal Year 2000-2001.

<u>Proposed law</u> 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 <u>House Committee on Ways and Means</u> to the <u>original</u> bill:
- 1. Change the increase of the tax levied on vapor products and electronic cigarettes $\frac{\text{from}}{15\%}$ 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 <u>from</u> 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.