

Regular Session, 2013

HOUSE BILL NO. 574

BY REPRESENTATIVE ROBIDEAUX

TAX/TOBACCO TAX: Increases the state excise tax on certain tobacco products

1 AN ACT

2 To amend and reenact R.S. 47:841(A), B)(6), (C), and (E) and to repeal R.S. 26:345,  
3 354(D), R.S. 47:818.22, 823(E), 843(B), 851(B)(2)(b), and 1061(A)(2), relative to  
4 state excise taxes; to provide relative to the state excise tax on certain tobacco  
5 products; to increase the tax on cigars, cigarettes, smoking tobacco, and smokeless  
6 tobacco, to provide relative to alcohol discounts, deductions; to provide relative to  
7 certain excise tax discounts; to provide for effectiveness; and to provide for related  
8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:841(A), (B)(6), (C) and (E) are hereby amended and reenacted  
11 to read as follows:

12 §841. Imposition of tax

13 There is hereby levied a tax upon the sale, use, consumption, handling, or  
14 distribution of all cigars, cigarettes, and smoking and smokeless tobacco, as defined  
15 herein, within the state of Louisiana, according to the classification and rates  
16 hereinafter set forth:

17 A. Cigars.

18 ~~(1) Upon cigars invoiced by the manufacturer at one hundred twenty dollars~~  
19 ~~per thousand or less a tax of eight~~ A tax of sixty-eight percent of the invoice price  
20 as defined in this Chapter.



Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigars, cigarettes, and smoking and smokeless tobacco in La.

Present law provides that the rate of the tax for cigars invoiced by the manufacturer at \$120 per thousand or less shall be 8% of the invoice price and the rate of the tax for cigars invoiced by the manufacturer at more than \$120 per 1,000 shall be 20% of the invoice price.

Proposed law increases the tax on cigars invoiced by the manufacturer at \$120 per 1,000 or less from 8% of the invoice price to 68% of the invoice price and increases the tax for cigars invoiced by the manufacturer at more than \$120 per 1,000 from 20% of the invoice price to 68% of the invoice price.

Present law levies a tax on cigarettes at the rate of 36¢ per pack.

Proposed law increases the tax on cigarettes from 36¢ per pack to \$1.41 per pack.

Present law provides that the rate of the tax for smoking tobacco shall be 33% of the invoice price.

Proposed law increases the tax on smoking tobacco from 33% of the invoice price to 68% of the invoice price.

Present law provides that the rate of the tax on smokeless tobacco shall be 20% of the invoice price.

Proposed law increases the tax on smokeless tobacco from 20% of the invoice price to 68% of the invoice price.

Present law authorizes a discount of 2% of the amount of tax due on beverages of low alcoholic content in order to encourage accurate reporting and timely remitting the taxes due beverages of low alcoholic content. Further provides a discount of 3a % of the amount of tax due on beverages of high alcoholic content in order to encourage accurate reporting and timely remitting the taxes due beverages of low alcoholic content.

Proposed law repeals present law.

Present law authorizes a discount of 1½% of the tax due on gasoline and diesel fuels for a supplier or permissive supplier who files a timely return and remits timely payment. However, this allowance shall not be deductible unless the supplier or permissive supplier allows a deduction of 1% to a purchaser with a valid distributor or importer license who timely files and pays such tax on or before the 22<sup>nd</sup> day of the month as required by present law.

Proposed law repeals present law.

Present law authorizes a discount of ½% of the tax levied for the disposal and storage of hazardous waste as compensation for the administrative costs in accounting for timely filing and remitting such tax.

Proposed law repeals present law.

Present law requires the secretary of the Dept. of Revenue to allow wholesale tobacco dealers of other states who have a direct purchasing contract with a manufacturer and serving a trade area of retail dealers in this state to purchase La. stamps with benefit of discount; however, in no instance shall the discount be greater than the discount received by wholesale tobacco dealers in their state of domicile and further provided that regardless of the discount extended by other states, the discount shall not exceed 6%.

Proposed law repeals present law.

Present law requires every registered tobacco dealer receiving and handling cigars and smoking tobaccos in La. upon which the tax has not been previously paid shall, within 20 days after the expiration of each calendar month, file a report of the total amount of cigars and smoking tobaccos received and handled during the preceding month, and shall pay the taxes due. Further requires all out of state La. registered tobacco dealers to file a report disclosing all sales of cigars and smoking tobaccos in La. during the preceding calendar month, and shall pay the taxes due.

Present law authorizes a 6% discount for timely and accurately filing such report only on those purchases made by registered tobacco dealers in La. who have a direct purchasing contract with a manufacturer. Further authorizes the secretary to allow wholesale tobacco dealers of other states serving a trade area of retail dealers in this state who have a direct purchasing contract with a manufacturer to sell in this state with the benefit of the discount; however, the discount shall not exceed the discount received by wholesale tobacco dealers in their state of domicile and further provided the discount shall not exceed 6%.

Proposed law retains present law but repeals the 6% discount authorized for tobacco dealers.

Present law provides for the levy of a tax of 5¢ per month on each residence and business customer telephone access line of the local exchange companies operating in La. Present law further authorizes local exchange companies collecting and remitting the tax a deduction, not to exceed 2%, from the amount of tax collected and remitted to the secretary as compensation for timely remitting the tax.

Proposed law repeals present law.

Effective January 1, 2014, and shall become operative if and when House Bill Nos. \_\_\_\_ of this 2013 Regular Session are enacted and become effective.

(Amends R.S. 47:841(A), (B)(6), (C) and (E); Repeals R.S. 26:345, 354(D), R.S. 47:818.22, 823(E), 843(B), 851(B)(2)(b), and 1061(A)(2))