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## DIGEST

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HB 148 Original

2015 Regular Session

Badon

**Abstract:** Levies an additional tax on cigars, cigarettes, smoking tobacco, and smokeless tobacco and dedicates the revenue from the tax increase.

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 1,000 or less shall be 8% 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 16% 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 66% 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 40% of the invoice price.

Proposed law creates a special fund within the state treasury to be called the "Louisiana Healthy Living Fund" in which the state treasurer shall annually deposit an amount equal to the avails of the additional tax on cigarettes, an amount equal to 8% of the tax imposed on cigars invoiced by the manufacturer at \$120 per 1,000 or less, an amount equal to 20% of the tax imposed on smokeless tobacco, and an amount equal to 33% of the tax imposed on smoking tobacco.

Proposed law requires the monies appropriated from the fund to be used solely for the following purposes and in the following amounts:

- (1) 70% to provide funding to the Board of Regents (BOR) for distribution to the Board of

Supervisors of the University of La. System, the La. State University System, the Southern University System, and the La. Community and Technical College System. Proposed law requires the BOR to develop a formula for distribution of the monies to each of these systems.

- (2) 30% to provide funding for the Dept. of Health and Hospitals for expenditure only on activities related to smoking cessation.

Proposed law prohibits any amounts appropriated from the fund from replacing or supplanting appropriations from the state general fund for DHH or the Board of Supervisors for each system. Further prohibits an appropriation from the fund for any fiscal year to be made for any purpose for which a state general fund (SGF) appropriation was made in the previous year unless the total appropriations for the fiscal year from the SGF for such purpose exceed general fund appropriations for the previous year.

Proposed law provides that the additional tax shall apply to all tobacco products purchased by retail dealers and wholesale dealers on and after July 1, 2015, but shall not apply to stamped products and unused tax stamps in the possession of wholesale dealers prior to July 1, 2015. Requires all wholesale and retail dealers to file an inventory with the Dept. of Revenue by Aug. 1, 2015, of all tobacco products on hand prior to July 1, 2015.

Proposed law authorizes the Dept. of Revenue to adopt rules and regulations as to the filing of the inventory report.

Effective July 1, 2015.

(Amends R.S. 47:841(A)(1), (C), and (E); Adds R.S. 47:841(B)(6) and 841.2)