

## HOUSE SUMMARY OF SENATE AMENDMENTS

HB 380

2015 Regular Session

Hollis

SALES/TOBACCO DEALERS: Provides relative to requirements for stamping cigarettes

### Synopsis of Senate Amendments

1. Adopts conflicting amendments relative to the discount allowable for timely and accurately filing monthly reports on certain purchases by certain tobacco dealers and the requirements relative to invoices maintained by nonresident tobacco dealers.

### Digest of Bill as Finally Passed by Senate

Present law requires cigarette tax stamps to be sold by the secretary of the Department of Revenue to bonded registered La. tobacco dealers in the state who hold a valid stamping agent designation and who have a direct purchasing contract with a manufacturer at a discount of six percent from the face value, when purchased in quantities of not less than \$100 face value, which shall also apply where the metered stamping machine or device is used.

Proposed law as proposed by Senate Committee Amendments repeals present law.

Proposed law as proposed by Senate Floor Amendments Proposed by Senator Adley repeals present law.

Present law requires any wholesale dealer who fails to timely file reports and pay the taxes due on an open account to forfeit the discount allowed at the time of purchase of such tax stamps and meter impressions and to be subject to a penalty of five percent on the amount of the tax due if the period of delinquency is 10 days or less, or 20% on the amount of the tax due if the period of delinquency is greater than 10 days, plus any interest due.

Proposed law as proposed by Senate Committee Amendments repeals present law.

Proposed law as proposed by Senate Floor Amendments Proposed by Senator Adley retains present law except that it removes requirement to forfeit the discount allowed at the time of purchase of tax stamps and meter impressions for failure to timely file and pay the taxes due.

Present law requires the secretary to allow a wholesale dealer to present affidavits evidencing the cost of stamps, less previous discounts, as an additional method of refunding the cost of stamps affixed to damaged goods.

Proposed law as proposed by Senate Committee Amendments retains present law except that it allows for the previous discount to be included in the cost of stamps evidenced in the affidavit.

Proposed law as proposed by Senate Floor Amendments Proposed by Senator Adley retains present law except that it allows for the previous discount to be included in the cost of stamps evidenced in the affidavit.

Present law requires the stamping of cigarettes with tobacco tax stamps immediately upon receipt of the cigarettes by a tobacco dealer.

Proposed law changes present law to require that tobacco dealers stamp cigarettes with a tobacco tax stamp prior to selling, offering for sale, removing, or otherwise distributing the cigarettes in or into the state and provides that the stamped cigarettes be kept separate and

apart from the dealer's stock of unstamped cigarettes.

Present law requires a prima facie presumption that cigarettes kept found in the place of business of any tobacco dealer or other person, except bonded interstate tobacco dealers, without the stamps affixed are in violation of present law.

Proposed law retains present law except that it removes the exception for bonded interstate tobacco dealers and provides an exception for a dealer holding a valid stamping agent designation.

Present law prohibits a dealer from purchasing or possessing unstamped cigarettes in this state for sale into another state where the manufacturer and brand family of the cigarettes are not listed on the state's directory unless the dealer holds an exporter license.

Proposed law retains present law and further requires the dealer holding the exporter license to affix the stamp required by the other state to the package within 72 hours after receipt unless the other state does not require the stamp, then the dealer may sell cigarettes into the other state if the excise, use, or similar tax is paid. Proposed law further requires the dealer to ensure that any cigarettes and roll-your-own tobacco in its stock that are not listed on the attorney general's state directory are kept separate and apart from the approved stock.

Present law requires a tobacco dealer engaged in interstate business to furnish a bond. Further allows a tobacco dealer to set aside a certain amount of his cigarette inventory for interstate commerce business without being stamped.

Proposed law removes the inventory provisions allowing for cigarettes to be set aside and retains the furnishing of the bond requirements as provided by present law.

Present law authorizes a six percent discount for timely and accurately filing a report on certain purchases made by certain tobacco dealers in La. and further requires the secretary to allow wholesale tobacco dealers of other states who have a direct purchasing contract with a manufacturer to also benefit from the discount provided the discount is not greater than that which is received by the dealer in their state and no more than six percent.

Proposed law as proposed by Senate Floor Amendments Proposed by Senator Martiny decreases the discount from six percent to three percent.

Present law requires all purchases of cigars, cigarettes, and smoking tobaccos for distribution within La. by any nonresident tobacco dealer to be evidenced by a separate invoice from the seller showing certain information purchased by the dealer for distribution within the state and requires the stock to be kept in an entirely separate part of the building, separate and apart from stock purchased for sale or distribution, or both, in another state.

Proposed law as proposed by Senate Floor Amendments Proposed by Senator Riser repeals provision of present law.

Proposed law as proposed by Senate Floor Amendments Proposed by Senator Riser further requires nonresident dealers to maintain invoices showing certain information and keep stock affixed with a La. tax stamp separate and apart from the remainder of the dealer's stock.

Present law requires every nonresident tobacco dealer, at the time of shipping or delivering to make a true duplicate invoice which shall show full and complete details of the sale or delivery of the taxable article and retain the same subject to the use and inspection of the collector for the period of two years.

Proposed law as proposed by Senate Floor Amendments Proposed by Senator Riser retains present law.

Proposed law requires nonresident tobacco dealers to keep a record of all cigarettes, cigars

and smoking tobaccos purchased by them for distribution within the state and hold all books, records and memoranda pertaining to the purchase and sale of such cigars, cigarettes, and smoking tobaccos open to the inspection of the collector.

Proposed law as proposed by Senate Floor Amendments Proposed by Senator Riser changes the requirement for the nonresident dealer to keep a record for products purchased for distribution within the state to all products purchased.

(Amends R.S. 47:843(C)(6), (10), and (D)(1), 847(A) and (D)(1), 849(B) and (C), and 851(B)(4)(b); Repeals R.S. 47:843(C)(3) and (6) and 851(B)(4)(b))