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**HOUSE FLOOR AMENDMENTS**

2019 Regular Session

Amendments proposed by Representative James to Engrossed House Bill No. 485 by Representative James

1 AMENDMENT NO. 1

2 On page 1, line 3 after "through" and before "relative" delete "1698;" and insert "1699;"

3 AMENDMENT NO. 2

4 On page 1, at the end of line 5, after "cannabis" delete the remainder of the line in its entirety  
5 and delete line 6 in its entirety and insert the following:

6 "sold by cannabis production facilities; to exempt certain products; to provide for the  
7 reporting and payment of the excise tax; to provide relative to bond requirements for  
8 cannabis production facilities; to authorize the promulgation of"

9 AMENDMENT NO. 3

10 On page 1, line 11, after "through" and before "hereby" delete "1698 are" and insert "1699  
11 is"

12 AMENDMENT NO. 4

13 On page 1, delete line 17 in its entirety and insert "informed and willing, unaffiliated parties,  
14 such as the cannabis production facility and the cannabis"

15 AMENDMENT NO. 5

16 On page 2, line 2, after "of" and before "cannabis" delete "all" and insert "each category of"

17 AMENDMENT NO. 6

18 On page 2, line 19, after "package, and" and before "sell" delete "to"

19 AMENDMENT NO. 7

20 On page 3, line 16, after "each" and before "to" delete "January 1st" and insert "December  
21 first"

22 AMENDMENT NO. 8

23 On page 3, at the beginning of line 19, before "stalk" insert "the"

24 AMENDMENT NO. 9

25 On page 3, line 20, after "cannabis" and before "by" insert "or a cannabis-infused product"

1 AMENDMENT NO. 10

2 On page 3, line 21, after "retailer." delete the remainder of the line in its entirety and delete  
3 lines 22 and 23 in their entirety

4 AMENDMENT NO. 11

5 On page 4, line 1, after "and" and before "cannabis" insert "each category of"

6 AMENDMENT NO. 12

7 On page 4, at the end of line 2, after "products." insert the following:

8

9 "The department may establish, by regulation, additional categories of cannabis sold  
10 at wholesale as determined to be necessary by the secretary to carryout the intent and  
11 purpose of this Chapter."

12 AMENDMENT NO. 13

13 On page 4, delete lines 3 and 4 in their entirety and insert the following:

14 "B. The excise tax is a tax upon the cannabis production facility and shall be  
15 reported and due monthly."

16 AMENDMENT NO. 14

17 On page 4, delete line 6 its entirety and insert the following:

18 "Any product that has been recommended for therapeutic use pursuant to R.S.  
19 40:1046 is hereby exempted from the"

20 AMENDMENT NO. 15

21 On page 4, line 7, after "provided" and before "nothing" delete the comma " ,"

22 AMENDMENT NO. 16

23 On page 4, delete line 11 in its entirety and insert the following:

24 "number of units of cannabis sold at wholesale or used to produce cannabis-infused  
25 products sold at wholesale must be multiplied by the average market rate"

26 AMENDMENT NO. 17

27 On page 4, line 14, after "of" and before "cannabis" delete "the"

28 AMENDMENT NO. 18

29 On page 4, delete lines 28 and 29 in their entirety, and on page 5, delete lines 1 through 3  
30 in their entirety and insert the following:

31 "(6)(a) Cannabis used to produce cannabis-infused products. The excise tax  
32 due on the wholesale sale of cannabis-infused products shall be calculated by  
33 determining the tax due on each category of cannabis used to produce the  
34 cannabis-infused product. The cannabis used in the production shall be reported and  
35 the tax shall be calculated in the same manner as if the cannabis itself had been sold  
36 directly to the retailer.

37 (b) Each cannabis production facility shall maintain an ingredient list  
38 showing the amount of each category of cannabis used in the production of each

1 cannabis-infused product sold by it and shall provide a copy of the ingredient list to  
2 the secretary upon request."

3 AMENDMENT NO. 19

4 On page 5, delete lines 8 through 19 in their entirety and insert the following:

5 "D.(1) Published rates. The secretary shall determine and publish the average  
6 market rate of each category of cannabis on an annual basis. The average market  
7 rate shall be determined and published on or before the twentieth day of December  
8 of each year and shall be effective for the ensuing calendar year, beginning on the  
9 first day of January of the subsequent year.

10 (2) The secretary shall calculate the average market rate for each test period  
11 after the initial period using the wholesale sale prices reported for each category of  
12 cannabis during the immediately preceding test period. For purposes of calculating  
13 the average market rate, the secretary may disregard any sales not made in an arm's  
14 length transaction. For any test period in which no sales are reported for a category  
15 of cannabis, the average market rate shall be the rate set for the preceding annual  
16 period.

17 §1696. Reports and payment of taxes

18 The taxes levied in this Chapter shall be reported and paid monthly, on forms  
19 prescribed by the secretary. Reports and payment shall be submitted on or before the  
20 twentieth day of the month following the month in which the tax becomes due. The  
21 returns shall require information necessary for the secretary to calculate the average  
22 market rate as provided for in this Chapter. Failure to file the return or submit the  
23 tax shall cause the tax to become delinquent and subject to interest and penalties. The  
24 secretary may require electronic filing of tax returns, reports, and payments as  
25 provided in R.S. 47:1519 and 1520.

26 §1696.1. Cannabis production facility required to furnish bonds

27 Each cannabis production facility shall furnish to the secretary, a bond in the  
28 minimum amount of five thousand dollars, guaranteeing payment of taxes, interest  
29 and penalties levied by this Chapter. The bond shall be executed by a surety  
30 company duly qualified to do business in this state. The tenor, solvency, and  
31 maximum amount of the bond shall be satisfactory to the secretary, the minimum  
32 amount required shall depend upon the volume of business of the taxpayer and must  
33 be in an amount sufficient in the discretion of the secretary to guarantee the state  
34 against all losses for taxes, interest and penalties levied by the provisions of this  
35 Chapter.

36 §1697. Enforcement

37 The secretary shall collect, supervise, and enforce the collection of all taxes."

38 AMENDMENT NO. 20

39 On page 5, at the beginning of line 25, delete "§1697." and insert "§1698."

40 AMENDMENT NO. 21

41 On page 5, at the beginning of line 26, after "The" and before "may" delete "department" and  
42 insert "secretary"

1 AMENDMENT NO. 22

2 On page 5, delete lines 28 and 29 in their entirety, on page 6, delete lines 1 through 3 in their  
3 entirety, and insert "Chapter."

4 AMENDMENT NO. 23

5 On page 6, at the beginning of line 4, delete "§1698." and insert §1699."

6 AMENDMENT NO. 24

7 On page 6, at the beginning of line 5, before "Beginning" delete "A."

8 AMENDMENT NO. 25

9 On page 6, line 10, after "shall" and before "into" delete "monthly deposit" and insert  
10 "deposit monthly"

11 AMENDMENT NO. 26

12 On page 6, line 19, after "for" delete the remainder of the line in its entirety and insert  
13 "funding the office of"

14 AMENDMENT NO. 27

15 On page 6, line 22, after "for" delete the remainder of the line in its entirety and insert  
16 "funding the"

17 AMENDMENT NO. 28

18 On page 6, line 25, after "the" and before "of" delete "purposes" and insert "funding"

19 AMENDMENT NO. 29

20 On page 6, line 28, after "Fund" and before "R.S. 17.407.30" delete "pursuant to" and insert  
21 "as established in"

22 AMENDMENT NO. 30

23 On page 7, at the beginning of line 14, delete "purpose of providing funding for" and insert  
24 "funding of"

25 AMENDMENT NO. 31

26 On page 7, delete lines 16 through 18 in their entirety and insert the following:

27 "Section 2. This Act shall take effect and become operative if and when the Act  
28 which originated as House Bill No. 564 of this 2019 Regular Session of the Legislature is  
29 enacted and becomes effective, and shall be applicable for tax periods beginning on or after  
30 January 1, 2020."