

2021 Regular Session

HOUSE BILL NO. 514

BY REPRESENTATIVE MAGEE

TAX/SALES & USE: Levies a state tax on raw or crude marijuana recommended for therapeutic use and provides for the disposition of the collections of the tax

1 AN ACT

2 To enact R.S. 47:301(10)(jj) and 301.3 and R.S. 51:1286(E), relative to state sales and use
3 tax; to levy a state sales and use tax on the sale of raw or crude marijuana
4 recommended for therapeutic use; to provide for the disposition of state sales and use
5 taxes of raw or crude therapeutic marijuana; to provide for an effective date; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:301(10)(jj) and 301.3 are hereby enacted to read as follows:

9 §301. Definitions

10 As used in this Chapter the following words, terms, and phrases have the
11 meanings ascribed to them in this Section, unless the context clearly indicates a
12 different meaning:

13 * * *

14 (10)

15 * * *

16 (jj) Notwithstanding any provision of law to the contrary, for purposes of
17 state sales and use tax the term "retail sale" or "sale at retail" shall include all sales
18 of raw or crude marijuana recommended for therapeutic use.

19 * * *

20 §301.3. Disposition of certain sales and use tax collections

21 A. Notwithstanding any provision of law to the contrary including R.S.
22 47:318, the state sales and use taxes levied in R.S. 47:302, 321, 321.1, and 331 and

1 R.S. 51:1286 on the sales of raw or crude marijuana recommended for therapeutic
 2 use shall be immediately paid into the state treasury, credited to the Bond Security
 3 and Redemption Fund as provided in Article VII, Section (9)(B) of the Constitution
 4 of Louisiana, and deposited into the Construction Subfund of the Transportation
 5 Trust Fund as provided for in Article VII, Section 27(B)(2) of the Constitution of
 6 Louisiana.

7 * * *

8 Section 2. R.S. 51:1286(E) is hereby enacted to read as follows:

9 §1286. Sales and use tax

10 * * *

11 E. Notwithstanding any provision of law to the contrary, the state sales and
 12 use tax levied in this Section on the sales of raw or crude marijuana recommended
 13 for therapeutic use shall be exempt from the requirements provided in Subsection C
 14 of this Section. The state sales and use tax levied in this Section on the sales of raw
 15 or crude marijuana recommended for therapeutic use shall be immediately paid into
 16 the state treasury, credited to the Bond Security and Redemption Fund as provided
 17 in Article VII, Section (9)(B) of the Constitution of Louisiana, and deposited into the
 18 Construction Subfund of the Transportation Trust Fund as provided for in Article
 19 VII, Section 27(B)(2) of the Constitution of Louisiana.

20 Section 3. This Act shall become effective on January 1, 2022.

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)]

HB 514 Original

2021 Regular Session

Magee

Abstract: Levies a state sales and use tax on raw or crude marijuana recommended for therapeutic use and provides for the disposition of the collections of the tax.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies in the following amounts:

- R.S. 47:302 - 2%
- R.S. 47:321 - 1%
- R.S. 47:321.1 - .45%

R.S. 47:331 - .97%
R.S. 51:1286 - .03%

Proposed law levies a state sales and use tax on raw or crude marijuana recommended for therapeutic use.

Present law provides that the collections of state sales and use taxes levied in present law (R.S. 47:302, 321, 321.1, and 331) shall be deposited into the state general fund.

Proposed law provides instead that the collections of state sales and use taxes levied on sales of raw or crude marijuana recommended for therapeutic use shall be deposited into the Construction Subfund of the Transportation Trust Fund (subfund).

Present law levies a .03% state sales and use tax (R.S. 51:1286), the collections of which are pledged to pay for the levy and collection of the sales tax and to pay for media advertisements for the promotion of the state's tourism industry.

Proposed law provides that all proceeds of the .03% tax levied in present law from sales of raw or crude marijuana recommended for therapeutic use shall be deposited into the subfund. Otherwise retains present law.

Effective Jan. 1, 2022.

(Adds R.S. 47:301(10)(jj) and 301.3 and R.S. 51:1286(E))