
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 692 Original

2021 Regular Session

Newell

Abstract: Levies a tax on cannabis and dedicates the avails of the tax.

Proposed law levies a 10% tax upon each cannabis retail sale. Defines "cannabis retail sale" as the sale of a cannabis product by a retailer to a consumer. Provides that the tax is levied in addition to state and local sales and use tax or any other tax and shall be reported and paid by the retailer.

Proposed law levies a 5% tax upon each cannabis wholesale sale. Defines "cannabis wholesale sale" as the sale of cannabis by a commercial grower licensee to a retailer or the sale of a cannabis product by a cannabis processor licensee to a retailer. Provides that the tax is reported and paid by the commercial grower licensee or cannabis processor licensee, as applicable.

Proposed law provides that it does not apply to any product subject to tax pursuant to present law (R.S. 47:1693) or subject to a fee pursuant to present law (R.S. 40:1046).

Proposed law provides that the Dept. of Revenue shall remit the avails of the taxes as follows:

- (1) 20% to the municipality in which the sale occurred to be used for law enforcement in the municipality. However, if the sale did not take place in a municipality, 20% to the sheriff for the parish in which the sale occurred to be used for law enforcement in the parish.
- (2)(a) 5% on a pro rata basis to the sheriffs for each of the parishes that do not include a cannabis retailer, to be used for law enforcement in the parishes. In Orleans Parish, the amount is divided equally between and remitted to the sheriff and the New Orleans Police Department. If a cannabis retailer permit is subsequently granted to a parish, the pro rata portion that the parish would have received is instead remitted as provided in paragraph (b) below.
- (b) Beginning when the commissioner has issued a cannabis retailer permit in every parish in the state and thereafter, 7.5% to the state treasury for deposit into the state general fund and 7.5% to the state treasury for deposit into the La. Early Childhood Education Fund created pursuant to present law (R.S. 17:407.30).
- (3) 15% divided equally among and remitted to the district attorneys' offices in the state.
- (4) 10% to the state treasury for deposit into the La. Early Childhood Education Fund.
- (5) 10% to the state treasury for deposit into the State Police Operations Fund created pursuant

to proposed law.

- (6) 15% to the state treasury for deposit into the state general fund.
- (7) 15% to the state treasury for deposit into the Transportation Trust Fund created pursuant to present constitution (Art. VII, Sec. 27).
- (8) 10% to the state treasury to be used to fund addiction treatment programs.

Effective if and when House Bill No. 637 of this 2021 R.S. is enacted and becomes effective.

(Adds R.S. 39:100.125 and R.S. 47:1699.1-1699.5)