
DIGEST

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HB 612 Original

2023 Regular Session

Newell

Abstract: Levies taxes on wholesale and retail sales of cannabis and dedicates the avails of those taxes.

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

Proposed law provides that it shall not apply to any of the following:

- (1) Any product subject to taxation pursuant to present law relative to consumable hemp (R.S. 47:1692 et seq.).
- (2) Any product subject to a fee pursuant to present law relative to therapeutic marijuana (R.S. 40:1046(H)(8)).

Proposed law requires the Dept. of Revenue to remit the avails of the taxes collected pursuant to proposed law as follows:

- (1) 40% to the Cannabis Tax-Supported Local Assistance Fund created by proposed law, which monies shall be distributed as follows:
 - (a) 50% (20% of the state's total avails) on a pro rata basis to local governments of the localities in which the sales of cannabis occurred to be used for law enforcement purposes in those localities.
 - (b)(i) 12.5% (5% of the state's total avails) on a pro rata basis to the sheriffs of each of the parishes that do not include a cannabis retailer, to be used for law enforcement purposes in the parishes. In Orleans Parish, the amount shall be 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, however, then the pro rata portion that the parish would have received shall instead be divided equally

among and deposited into the state general fund and the La. Early Childhood Education Fund.

- (ii) When the commissioner of alcohol and tobacco control has issued a cannabis retailer permit in every parish of the state and thereafter, 6.25% (2.5% of the state's total avails) to the state general fund and 6.25% (2.5% of the state's total avails) to the La. Early Childhood Education Fund.
- (c) 15% divided equally among and remitted to the district attorneys' offices of the state.
- (2) 10% to the La. Early Childhood Education Fund (in addition to any other amounts to be deposited into the fund in accordance with paragraph (2)(b) above).
- (3) 10% to the State Police Operations Fund created by proposed law, which monies shall be used exclusively for operating expenses of the office of state police.
- (4) 15% to the state general fund (in addition to any other amounts to be deposited into the fund in accordance with paragraph (2)(b) above).
- (5) 15% to the Transportation Trust Fund.
- (6) 10% to the state treasury to be used to fund addiction treatment programs.

Effective Jan. 1, 2024, contingent upon the enactment and effectiveness of House Bill No. 17 of this 2023 R.S. relative to cannabis production and regulation.

(Adds R.S. 39:100.211 and 100.221 and R.S. 47:1699.1-1699.5)