2023 Regular Session

HOUSE BILL NO. 635

BY REPRESENTATIVE HOLLIS

REVENUE/TAXATION DEPT: Increases the rate of the excise tax on vapor products and electronic cigarettes and dedicates a portion of the avails of such increase to payment of salaries and related benefits for La. State Police

1	AN ACT
2	To amend and reenact R.S. 22:831(B) and R.S. 47:841(F), relative to excise tax; to change
3	the rate of such tax levy for vapor products and electronic cigarettes; to dedicate a
4	portion of the avails of such tax; to provide for an effective date; and to provide for
5	related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 22:831(B) is hereby amended and reenacted to read as follows:
8	§831. Fire, marine, transportation, casualty, surety, or other insurance
9	* * *
10	B. There is hereby created in the state treasury as a special fund the
11	Louisiana State Police Salary Fund, hereafter referred to in this Subsection as the
12	"fund". Monies in the Louisiana State Police Salary Fund fund shall be used in
13	amounts appropriated by the legislature to cover the cost of salary increases and
14	related benefits for members of the state police service and for special law
15	enforcement initiatives. After allocation of money to the Bond Security and
16	Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of
17	Louisiana, the treasurer shall deposit in and credit to the fund amounts received as
18	<u>follows:</u>

1	(1) Taxes The avails of taxes collected under the provisions of this Section		
2	in Fiscal Year 2002-2003 and ensuing fiscal years that are in excess of total		
3	collections under the provisions of this Section in Fiscal Year 2000-2001, after first		
4	having been credited to the Bond Security and Redemption Fund as required by		
5	Article VII, Section 9(B) of the Constitution of Louisiana, shall be deposited into the		
6	Louisiana State Police Salary Fund until the amount deposited in each fiscal year is		
7	equal to fifteen million six hundred thousand dollars.		
8	(2) One half of the avails of the excise tax levied pursuant to R.S. $47:841(F)$		
9	Section 2. R.S. 47:841(F) is hereby amended and reenacted to read as follows:		
10	§841. Imposition of tax		
11	* * *		
12	F. Vapor products and electronic cigarettes. Upon vapor products and		
13	electronic cigarettes, a tax of five cents per milliliter equal to fifteen percent of the		
14	retail sales price of such products. of consumable nicotine liquid solution or other		
15	material containing nicotine that is depleted as a vapor product is used.		
16	* * *		
17	Section 3. This Act shall become effective on July 1, 2023; if vetoed by the governor		
18	and subsequently approved by the legislature, this Act shall become effective on July 1,		
19	2023, or on the day following such approval by the legislature, whichever is later.		

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 635 Original	2023 Regular Session	Hollis
Abstract. Changes the est	culation basis for the avoise tax laviad upon	von on ano duoto on d

Abstract: Changes the calculation basis for the excise tax levied upon vapor products and electronic cigarettes and dedicates a portion of the tax avails to funding salaries and related benefits of the La. State Police.

<u>Present law</u> levies an excise tax on vapor products and electronic cigarettes at a rate of \$0.05 per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used. <u>Proposed law</u> changes the tax rate to an amount equal to 15% of the retail sales price of such products. <u>Present law</u>, with certain exceptions, generally defines "sales price" to mean the total amount for which tangible personal property is sold, whether paid in money or otherwise. <u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> defines "vapor product" to mean any noncombustible product containing nicotine or other substances that employ a heating element, power source, electronic circuit, or other electronic, chemical or mechanical means, regardless of shape or size, used to produce vapor from nicotine in a solution or other form. Includes any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device and any vapor cartridge or other container of nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarette, electronic cigar, electronic pipe, or similar product or device. <u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> (R.S. 22:831) establishes the La. State Police Salary Fund (fund) to be used to cover the cost of salary increases and related benefits for members of the state police service and for special law enforcement initiatives. <u>Present law</u> requires the treasurer to annually deposit up to \$15.6 million into the fund from the avails of certain taxes collected on insurance such as fire, marine, workers' compensation, livestock, etc. provided for in <u>present law</u> that are in excess of total collections for such insurance in Fiscal Year 2000-2001.

<u>Proposed law</u> additionally deposits into the fund one-half of the avails of the excise tax on vapor products and electronic cigarettes levied pursuant to <u>proposed law</u>.

Effective July 1, 2023.

(Amends R.S. 22:831(B) and R.S. 47:841(F))