
DIGEST

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HB 635 Original

2023 Regular Session

Hollis

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.

Present law 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. Proposed law changes the tax rate to an amount equal to 15% of the retail sales price of such products. Present law, 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. Proposed law retains present law.

Present law 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 cigarillo, electronic pipe, or similar product or device. Proposed law retains present law.

Present law (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. Present law 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 present law that are in excess of total collections for such insurance in Fiscal Year 2000-2001.

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

Effective July 1, 2023.

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