HLS 23RS-3480 ORIGINAL

2023 Regular Session

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HOUSE RESOLUTION NO. 237

BY REPRESENTATIVE MINCEY

REVENUE/TAXATION DEPT: Requests a study regarding taxation of vapor products

A RESOLUTION

2	To urge and request the Department of Revenue and its office of alcohol and tobacco control
3	to conduct a study regarding state and local taxation of vapor products and to report
4	findings and recommendations of the study to the House Committee on Ways and
5	Means no later than January 8, 2024.
6	WHEREAS, vaping devices are battery-operated mechanisms that are used for
7	inhalation of aerosols known as vapor products which contain the highly addictive substance
8	nicotine, often in combination with flavorings and other chemicals; and
9	WHEREAS, vaping devices have become popular among teens and, according to the
10	National Institute on Drug Abuse of the National Institutes of Health, vapor products are
11	now the most commonly used form of nicotine among youth in the United States; and
12	WHEREAS, R.S. 26:791 establishes the office of alcohol and tobacco control within
13	the Department of Revenue; and
14	WHEREAS, the office of alcohol and tobacco control is responsible for regulating
15	consumer access to a variety of products including vapor products; and
16	WHEREAS, the Department of Revenue and its office of alcohol and tobacco control
17	are uniquely positioned to regulate vapor products both through tax system administration
18	and through enforcement of laws that have been enacted for public protection; and
19	WHEREAS, as evidenced by the final passage and final adoption, respectively, of
20	House Bill No. 473 and House Resolution No. 151 of the 2021 Regular Session, the

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legislature intends to advance policies that prevent access to tobacco and vapor products by 2 underage persons; and 3 WHEREAS, other legislative instruments of recent sessions pertaining to vapor 4 products include House Resolution No. 155 of the 2017 Regular Session and House 5 Resolution No. 109 of the 2018 Regular Session, through which the legislature requested 6 that the Louisiana Department of Health study and report on tax-related and health-related 7 issues associated with vapor products; and 8 WHEREAS, while the studies resulting from these prior-year Resolutions remain 9 informative and valuable with respect to public health impacts of vapor product use, their 10 findings with respect to taxation were limited; and 11 WHEREAS, the Louisiana Uniform Local Sales Tax Board and the Louisiana Sales 12 and Use Tax Commission for Remote Sellers are public bodies with expertise in the 13 collection of sales tax from remote sellers and therefore can provide pertinent information 14 and suggestions to the Department of Revenue and its office of alcohol and tobacco control 15 concerning best practices for the collection of sales tax from such sellers; and 16 WHEREAS, in the interest of protecting public health, developing responsible tax 17 policy, and promoting effective tax system administration, it is appropriate to call for a study 18 of the current landscape of vapor product taxation in this state. 19 THEREFORE, BE IT RESOLVED that the House of Representatives of the 20 Legislature of Louisiana does hereby urge and request the Department of Revenue and its 21 office of alcohol and tobacco control to conduct a study of state and local taxation of vapor 22 products. 23 BE IT FURTHER RESOLVED that the study called for in this Resolution shall 24 examine, without limitation, all of the following: 25 (1) Current methods of tax collection on, and amounts of tax revenue generated 26 from, sales of vapor products, specifically including online sales of such products and sales 27 by retailers that do not purchase the products through wholesalers registered in Louisiana. 28 (2) Tax policies and best practices to address the problem of underage consumers 29 acquiring vapor products.

1 (3) Potential changes in regulatory and enforcement mechanisms which could assist 2 the commissioner of alcohol and tobacco control in carrying out this state's policy against 3 access to vapor products by underage consumers. 4 (4) Suggestions for the collection of state tax from remote sellers as provided by the Louisiana Uniform Local Sales Tax Board and the Louisiana Sales and Use Tax Commission 5 6 for Remote Sellers. 7 BE IT FURTHER RESOLVED that in conducting the study called for in this 8 Resolution, the Department of Revenue and its office of alcohol and tobacco control shall 9 engage, collaborate with, and obtain information and recommendations from the Louisiana 10 Sales and Use Tax Commission for Remote Sellers and the Louisiana Uniform Local Sales 11 Tax Board. 12 BE IT FURTHER RESOLVED that on or before January 8, 2024, the Department 13 of Revenue shall submit to the House Committee on Ways and Means a report of findings 14 and recommendations resulting from the study called for in this Resolution. 15 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the 16 secretary of the Department of Revenue, the commissioner of alcohol and tobacco control, the chairman and the executive director of the Louisiana Sales and Use Tax Commission for 17

DIGEST

Remote Sellers, and the chairman and the executive director of the Louisiana Uniform Local

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Sales Tax Board.

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Urges and requests the Dept. of Revenue and its office of alcohol and tobacco control to conduct a study of state and local taxation of vapor products. Requests that the department submit a report of findings and recommendations resulting from the study to the House Committee on Ways and Means on or before Jan. 8, 2024.