

2025 Regular Session

HOUSE BILL NO. 235

BY REPRESENTATIVE ECHOLS

TAX/EXCISE: Increases the excise tax levied on consumable hemp products and dedicates revenues collected from the tax

1 AN ACT

2 To amend and reenact R.S. 15:1224(A) and R.S. 47:1693(A) and 1696 and to enact R.S.  
3 39:100.254, relative to the excise tax levied on consumable hemp products; to  
4 provide for the rate of the tax; to dedicate revenues derived from the tax; to create  
5 and provide for the Consumable Hemp Testing and Regulation Fund; to authorize  
6 uses of monies in the fund; to provide for applicability; to provide for an effective  
7 date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 15:1224(A) is hereby amended and reenacted to read as follows:

10 §1224. Drug Abuse Education and Treatment Dedicated Fund Account; creation;  
11 purpose

12 A. The Drug Abuse Education and Treatment Dedicated Fund Account,  
13 hereafter referred to as the "account", is hereby created as a special statutorily  
14 dedicated fund account in the state treasury, which shall be the depository for all fees  
15 collected under the provisions of Code of Criminal Procedure Article 895.1(E) and  
16 any other monies appropriated or transferred to the account by the legislature.

17 \* \* \*

18 Section 2. R.S. 39:100.254 is hereby enacted to read as follows:

1        §100.254. Consumable Hemp Testing and Regulation Fund

2                A. There is hereby established in the state treasury, as a special fund, the  
3        Consumable Hemp Testing and Regulation Fund, hereafter referred to in this Section  
4        as the "fund".

5                B. Any money transferred, donated, or appropriated to the fund by the  
6        legislature shall be deposited into the fund after compliance with the requirements  
7        of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond  
8        Security and Redemption Fund.

9                C. All unexpended and unencumbered monies in the fund at the end of the  
10       fiscal year shall remain in the fund. The monies in the fund shall be invested by the  
11       state treasurer in the same manner as monies in the state general fund, and interest  
12       earned on the investment of monies in the fund shall be credited to the fund.

13               D. The monies in the fund shall be utilized to support the operations of the  
14       preferred university-affiliated laboratory in Louisiana that tests consumable hemp  
15       products pursuant to the provisions of R.S. 3:1483. If no such laboratory is  
16       operational and fully approved by the Louisiana Department of Health for  
17       consumable hemp testing, then the monies in the fund shall be utilized to support the  
18       operations of any laboratory that is affiliated with a public university of this state and  
19       fully approved by the department for consumable hemp testing. If no university-  
20       affiliated laboratory in this state is fully approved by the department for consumable  
21       hemp testing, then the monies in the fund shall be utilized to support the activities  
22       of the department undertaken to regulate consumable hemp products pursuant to the  
23       provisions of R.S. 3:1483.

24        Section 3. R.S. 47:1693(A) and 1696 are hereby amended and reenacted to read as  
25 follows:

26        §1693. Imposition of tax

27                A. There is hereby levied an excise tax upon each retail sale of consumable  
28        hemp products within the state of Louisiana. The tax levied in this Chapter shall be  
29        at the rate of ~~three~~ twenty percent of the retail sales price of the consumable hemp

1 product. The excise tax shall be levied in addition to state and local sales and use tax  
2 or any other tax, and shall be reported monthly by the retailer on forms prescribed  
3 by the secretary and paid by the retailer on or before the twentieth day of the month  
4 following the month to which the tax is applicable.

5 \* \* \*

6 §1696. Disposition of collections

7 After satisfaction of the requirements of the Bond Security and Redemption  
8 Fund as required ~~under~~ by the provisions of Article VII, Section 9(B) of the  
9 Constitution of Louisiana, the state treasurer shall deposit in and credit to the ~~Early~~  
10 ~~Childhood Education Fund~~ funds identified in this Section, the revenues collected  
11 ~~as provided in pursuant to~~ this Chapter. The state treasurer shall deposit these  
12 revenues as follows:

13 (1) Fifteen percent shall be deposited in and credited to the Louisiana Early  
14 Childhood Education Fund established by the provisions of R.S. 17:407.30.

15 (2) Thirty percent shall be deposited in and credited to the Criminal Justice  
16 and First Responder Fund established by the provisions of R.S. 39:100.251.

17 (3) Thirty percent shall be deposited in and credited to the Drug Abuse  
18 Education and Treatment Dedicated Fund Account established by the provisions of  
19 R.S. 15:1224.

20 (4) Twenty-five percent shall be deposited in and credited to the Consumable  
21 Hemp Testing and Regulation Fund established by the provisions of R.S. 39:100.254.

22 Section 4. The provisions of this Act shall apply to taxable periods beginning on or  
23 after July 1, 2025.

24 Section 5. This Act shall become effective on July 1, 2025; if vetoed by the governor  
25 and subsequently approved by the legislature, this Act shall become effective on July 1,  
26 2025, or on the day following such approval by the legislature, whichever is later.

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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)]

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HB 235 Original

2025 Regular Session

Echols

**Abstract:** Increases the rate of excise tax on consumable hemp products from 3% of the retail sales price to 20% of the retail sales price and dedicates revenues collected from the tax.

Present law defines "consumable hemp" as any product derived from industrial hemp that contains any cannabinoid, including cannabidiol or THC, and is intended for consumption or topical use.

Present law levies an excise tax of 3% of the retail sales price for each retail sale of consumable hemp products purchased in this state. Requires the excise tax to be levied in addition to state and local sales and use tax or any other tax.

Proposed law increases the rate of excise tax on consumable hemp products from 3% of the retail sales price to 20% of the retail sales price.

Present law dedicates all revenues collected from the excise tax on consumable hemp products to the La. Early Childhood Education Fund established by present law. Proposed law changes present law to provide that revenues from the tax shall be dedicated as follows:

- (1) 15% shall be dedicated to the La. Early Childhood Education Fund established by present law.
- (2) 30% shall be dedicated to the Criminal Justice and First Responder Fund established by present law.
- (3) 30% shall be dedicated to the Drug Abuse Education and Treatment Dedicated Fund Account established by present law.
- (4) 25% shall be dedicated to the Consumable Hemp Testing and Regulation Fund established by proposed law.

Proposed law establishes the Consumable Hemp Testing and Regulation Fund as a special fund in the state treasury and requires that the monies in the fund be utilized to support the operations of the preferred university-affiliated laboratory in La. that tests consumable hemp products pursuant to the provisions of present law. If no such laboratory is operational and fully approved by the La. Department of Health (LDH) for consumable hemp testing, then proposed law requires that the monies in the fund be utilized to support the operations of any laboratory affiliated with a public university of this state and fully approved by LDH for consumable hemp testing. If no university-affiliated laboratory in this state is fully approved by LDH for consumable hemp testing, then proposed law requires that the monies in the fund be utilized to support the activities of LDH undertaken to regulate consumable hemp products in accordance with present law.

Proposed law applies to taxable periods beginning on or after July 1, 2025.

Effective July 1, 2025.

(Amends R.S. 15:1224(A) and R.S. 47:1693(A) and 1696; Adds R.S. 39:100.254)