

2025 Regular Session

HOUSE BILL NO. 669

BY REPRESENTATIVE RISER

TAX/EXCISE: Continues a portion of the excise tax levied on cigarettes in statute and authorizes a reduced excise tax rate on certain tobacco products

## 1 AN ACT

2 To amend and reenact R.S. 47:841(B) and 842 and to enact R.S. 47:841(H), relative to the  
3 tobacco tax; to provide for the tax on cigarettes; to authorize a reduction in excise tax  
4 rates levied on tobacco products under certain circumstances; to provide for the  
5 calculation of the tax on certain tobacco products; to provide for definitions; to  
6 provide for applicability; to provide for an effective date; and to provide for related  
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:841(B) and 842 are hereby amended and reenacted and R.S.  
10 47:841(H) is hereby enacted to read as follows:

11 §841. Imposition of tax

12 There is hereby levied a tax upon the sale, use, consumption, handling, or  
13 distribution of all cigars, cigarettes, smoking and smokeless tobacco, and vapor  
14 products and electronic cigarettes as defined herein, within the state of Louisiana,  
15 according to the classification and rates hereinafter set forth:

16 \* \* \*

17 B. Cigarettes.

18 (1) Upon cigarettes, a tax of sixteen twentieths of one cent per cigarette as  
19 defined in this Chapter.

(2) In addition to the tax all other taxes levied in Paragraph (1) of pursuant to this Subsection, there is hereby levied an additional tax of four twentieths of one cent per cigarette.

(3) In addition to all other taxes levied pursuant to this Subsection, there is hereby levied an additional tax of four-twentieths of one cent per cigarette as referenced in Article VII, Section 4.1 of the Constitution of Louisiana.

(4) In addition to the tax all other taxes levied in Paragraphs (1), (2), and (3) ~~of~~ pursuant to this Subsection, there is hereby levied an additional tax of seven-twentieths of one cent per cigarette.

(5) In addition to ~~the tax~~ all other taxes levied in Paragraphs (1), (2), (3), and ~~(4)~~ of pursuant to this Subsection, there is hereby levied an additional tax of five-twentieths of one cent per cigarette.

(6) In addition to ~~the tax~~ all other taxes levied in Paragraphs (1), (2), (4), and (5) of pursuant to this Subsection and in Paragraph (3) of this Subsection as continued in effect by Article VII, Section 4.1 of the Constitution of Louisiana, there is hereby levied an additional tax of two and ten-twentieths of one cent per cigarette.

(7) In addition to ~~the tax~~ all other taxes levied in Paragraphs (1), (2), (4), (5), and (6) of pursuant to this Subsection and in Paragraph (3) of this Subsection as continued in effect by Article VII, Section 4.1 of the Constitution of Louisiana, there is hereby levied an additional tax of one and two-twentieths of one cent per cigarette.

\* \* \*

H. Tax rates imposed by this Section shall be reduced by seventy-five percent for a modified risk tobacco product issued a risk modification order for it or its predicate product by the U.S. Food and Drug Administration pursuant to 21 U.S.C. 387k(g).

## §842. Definitions

As used in this Chapter, the following terms have the meaning ascribed to them in this Section, unless the context clearly indicates otherwise:

(1) "Brand family" has the meaning as set forth in R.S. 13:5072.

1           (2) "Cigarette" includes any roll for smoking or heating pursuant to ordinary  
2           conditions of use made wholly or in part of tobacco, irrespective of size or shape and  
3           irrespective of the tobacco being flavored, adulterated, or mixed with any other  
4           ingredient, where ~~such~~ the roll has a wrapper or cover made of paper, or any other  
5           material except where ~~such~~ the wrapper is wholly or in greater part made of tobacco.

6           (3) "Cigars" includes any roll of tobacco for smoking, irrespective of size or  
7           shape, and irrespective of the tobacco being flavored, adulterated, or mixed with any  
8           other ingredients, where ~~such~~ the roll has a wrapper made chiefly of tobacco.

9           (4) "Collector" means the ~~collector of revenue for the State of Louisiana~~  
10          secretary of the Department of Revenue or his duly authorized representatives.

11          (5) "Dealer" includes every person who manufactures or purchases cigars,  
12          cigarettes, or smoking tobacco for distribution, sale, use, or consumption in the state  
13          of Louisiana. The term also means any person who imports cigars, cigarettes, or  
14          smoking tobacco from any state or foreign country for distribution, sale, or  
15          consumption in the state of Louisiana.

16          (6) "Invoice price" means the ~~manufacturers~~ manufacturer's net invoiced  
17          price as invoiced to the Louisiana tobacco dealer, by the manufacturer, jobber, or  
18          other persons engaged in selling tobacco products in accordance with the tax levied  
19          by this ~~chapter~~ Chapter. The tobacco tax due on promotional incentives listed on an  
20          invoice at no cost shall be determined as follows:

21                (a) If the invoice reflects a purchase of the same product, then the tobacco  
22                excise tax shall be calculated on the invoice price charged on the invoice for the  
23                same product.

24                (b) If the invoice does not show the purchase of the same product, then the  
25                tax shall be calculated on the manufacturer's list price for that product.

26          (7) "Manufacturer" means anyone engaged in the manufacture, production,  
27          or foreign importation of tobacco products.

28          (8) "Manufacturer's net invoiced price" means the product line item price  
29          charged to the dealer by the manufacturer, supplier, jobber, or other person who sells

1 the tobacco product to the dealer inclusive of any trade discount reflected in the line  
2 item price. Manufacturer's net invoiced price shall not include any of the following:

3 (a) Separately stated federal excise tax or any other taxes.

4 (b) Separately stated freight or shipping charges.

5 (c) Any reduction for cash or other similar discounts.

6 ~~(8)~~(9) "Person" means any natural person, trustee, company, partnership,  
7 corporation, or other legal entity.

8 ~~(9)~~(10) "Place of business" as used in this Chapter means the place where the  
9 orders are received, or where the taxable articles are sold, or if sold upon a railroad  
10 train or on or from any other vehicle, the vehicle on which or from which the taxable  
11 articles are sold by the retail dealer. It also includes the establishment where vending  
12 machines are located.

13 (11) "Promotional incentives" mean products provided to the Louisiana  
14 dealer and listed on the invoice at no cost.

15 ~~(10)~~(12) "Purchase" means acquisition in any manner, for any consideration.  
16 The term includes transporting or receiving product in connection with a purchase.

17 ~~(11)~~(13) "Registered tobacco dealer" as used in this Chapter refers to  
18 wholesale dealers as defined in this Section.

19 ~~(12)~~(14) "Retail dealer" includes every dealer other than a wholesale dealer  
20 who sells or offers for sale cigars, cigarettes, or smoking tobacco irrespective of  
21 quantity or the number of sales.

22 ~~(13)~~(15) "Sales" or "sell" means any transfer, exchange, or barter in any  
23 manner or by any means for any consideration. The term includes distributing or  
24 shipping product in connection with a sale. References to a sale "in" or "into" a state  
25 refer to the state of the destination point of the product in the sale, without regard to  
26 where title was transferred. References to sale "from" a state refer to the sale of  
27 cigarettes that are located in that state to the destination in question without regard  
28 to where title was transferred.

1           ~~(14)~~(16) "Sales entity affiliate" means an entity that sells cigarettes that it  
2           acquires directly from a manufacturer or importer and is affiliated with that  
3           manufacturer or importer as established by documentation received directly from  
4           that manufacturer or importer to the satisfaction of the attorney general. Entities are  
5           affiliated with each other if one, directly or indirectly through one or more  
6           intermediaries, controls or is controlled by or is under common control with the  
7           other.

8           ~~(15)~~(17) "Smokeless tobacco" means all smokeless tobacco including but not  
9           limited to fine cut, long cut, packed in pouches, snuff, snuff flower, chewing  
10          tobacco, cavendish, plugs, twists, shorts, refuse and other scraps, clippings and  
11          sweepings of tobacco, and other forms of loose tobacco, articles and products made  
12          of tobacco, or a tobacco substitute.

13          ~~(16)~~(18) "Smoking tobacco" includes granulated, plug cut, crimp cut, ready  
14          rubbed and any other kind and form of tobacco prepared in ~~such a~~ a manner as to be  
15          suitable for smoking in a pipe or a cigarette.

16          ~~(17)~~(19) "Stamp" means the impression, device, stamp, label, or print  
17          manufactured or printed as prescribed by the collector by the use of which the tax  
18          levied ~~hereunder~~ pursuant to this Chapter is paid. By way of extension, and not  
19          limitation, the term "stamp" means any impression or character affixed to or which  
20          shall be stamped upon commodities by metered stamping machine or device by use  
21          of which the tax levied ~~hereunder~~ pursuant to this Chapter is paid.

22          ~~(18)~~(20) "Stamping agent" means a dealer that is authorized to affix tax  
23          stamps to packages or other containers of cigarettes ~~under~~ pursuant to R.S. 47:843  
24          et seq. or any dealer that is required to pay the excise tax or tobacco tax imposed  
25          pursuant to R.S. 47:841 et seq. on cigarettes.

26          ~~(19)~~(21) "State directory" or "directory" means the directory compiled by the  
27          attorney general ~~under~~ pursuant to R.S. 13:5073, or, in the case of reference to  
28          another state's directory, the directory compiled ~~under~~ pursuant to the similar law in  
29          that other state.

1           (22) "Trade discounts" mean reductions in the list or unit price given by a  
2           manufacturer or other supplier. These discounts are listed in the product line item  
3           as either a percentage or specified amount and are reflected in the extended price of  
4           the product on the invoice.

5           ~~(20)~~(23) "Vapor products" shall mean any noncombustible product  
6           containing nicotine or other substances that employ a heating element, power source,  
7           electronic circuit, or other electronic, chemical, or mechanical means, regardless of  
8           shape or size, used to produce vapor from nicotine in a solution or other form.  
9           "Vapor products" include any electronic cigarette, electronic cigar, electronic  
10          cigarillo, electronic pipe, or similar product or device and any vapor cartridge or  
11          other container of nicotine in a solution or other form that is intended to be used with  
12          or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or  
13          similar product or device. Vapor products do not include cigarettes as defined in  
14          Paragraph (2) of this Section.

15          ~~(21)~~(24) "Vending machine" means any receptacle used to store taxable  
16          articles which vend ~~such~~ these articles automatically.

17          ~~(22)~~(25) "Vending machine operator" means any person who controls the use  
18          of one or more vending machines as to the supply of cigarettes or any tobacco  
19          products in the machine or the receipts from cigarettes vended through ~~such~~  
20          machines.

21          ~~(23)~~(26) "Wholesale dealers" are those dealers whose principal business is  
22          that of a wholesaler, and who sells cigarettes, cigars, and smoking tobacco to retail  
23          dealers for purpose of resale; and who is a bona fide wholesaler and fifty percent of  
24          whose total tobacco sales are to retail stores other than their own or their subsidiaries  
25          within Louisiana. Wholesale dealer shall include any person in the state who  
26          acquires cigarettes solely for the purpose of resale in vending machines, provided  
27          ~~such~~ that the person services fifty or more cigarette vending machines on selling  
28          locations in Louisiana other than their own. Wholesale dealers shall include those  
29          dealers engaged in receiving bulk smoking tobacco for purposes of blending and

1 including those Louisiana dealers who were affixing cigarette and tobacco stamps  
2 as of January 1, 1974.

3 Section 2.(A) Section 1 of Act No. 32 of the 2000 Regular Session of the Legislature  
4 levied the additional tax on cigarettes provided for in R.S. 47:841(B)(3). Section 4 of that  
5 Act provided for the effectiveness of this additional tax from July 1, 2000, through June 30,  
6 2002. Section 1 of Act No. 21 of the 2002 Regular Session of the Legislature amended  
7 Section 4 of Act No. 32 of the 2000 Regular Session of the Legislature to extend the  
8 effectiveness of the additional tax levied on cigarettes in R.S. 47:841(B)(3) through June 30,  
9 2012. During the 2011 Regular Session of the Legislature, Section 2 of House Bill No. 591  
10 proposed to amend Section 4 of Act No. 21 of the 2002 Regular Session of the Legislature  
11 to remove the termination date of the additional tax levied on cigarettes thereby making it  
12 permanent. However, House Bill No. 591 of the 2011 Regular Session of the Legislature  
13 was vetoed by the governor and therefore was not enacted. Section 1 of Act No. 423 of the  
14 2011 Regular Session of the Legislature enacted Article VII, Section 4.1 of the State  
15 Constitution to ensure that the dedication of the avails of the excise tax levied on cigarettes  
16 pursuant to R.S. 47:841(B)(3) continued to be deposited into the Health Excellence Fund by  
17 prohibiting the rate of the tax levied on cigarettes pursuant to the provisions of R.S.  
18 47:841(B)(3) from being less than the rate set forth in that provision as it existed on January  
19 1, 2012. Therefore the additional tax levied on cigarettes pursuant to R.S. 47:841(B)(3)  
20 continues to be levied, collected, and dedicated in accordance with Article VII, Section 4.1  
21 of the State Constitution.

22 (B) R.S. 47:841(B)(3) as enacted in Section 1 of this Act continues the tax levied  
23 pursuant to the provisions of Sections 1 and 4 of Act No. 32 of the 2000 Regular Session of  
24 the Legislature as amended by Section 1 of Act No. 21 of the 2002 Regular Session of the  
25 Legislature and as continued by Article VII, Section 4.1 of the State Constitution. The tax  
26 levied on cigarettes pursuant to R.S. 47:841(B)(3) by this Act is continuing in statute, the  
27 tax that is provided for in Article VII, Section 4.1 of the State Constitution. The total state  
28 excise tax levied on cigarettes shall not be increased as a result of the enactment of R.S.  
29 47:841(B) in this Act.

1           Section 3. The provisions of this Act shall be applicable to taxable periods beginning  
2   on or after July 1, 2025.

3           Section 4. This Act shall become effective upon signature by the governor or, if not  
4   signed by the governor, upon expiration of the time for bills to become law without signature  
5   by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
6   vetoed by the governor and subsequently approved by the legislature, this Act shall become  
7   effective on the day following such approval.

### 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 669 Original

2025 Regular Session

Riser

**Abstract:** Continues in *statute* ~~4¢~~ of the \$1.08 per pack state excise tax levied on cigarettes levied in present constitution and authorizes a reduced excise tax rate on certain modified risk tobacco products.

Present law provides for the levy of a state excise tax on the sale, use, consumption, handling, or distribution of all cigars, cigarettes, smoking and smokeless tobacco, and vapor products and electronic cigarettes within the state according to the following classifications and rates:

- (1)   Cigars - 8% of the invoice price on cigars invoiced by the manufacturer at \$120 per 1,000 or less and 20% of the invoice price on cigars invoiced by the manufacturer at more than \$120 per 1,000.
- (2)   Cigarettes - \$1.08 per pack of 20 cigarettes.
- (3)   Smoking tobacco - 33% of the invoice price.
- (4)   Smokeless tobacco - 20% of the invoice price.
- (5)   Vapor products and electronic cigarettes - 15¢ per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.

Present constitution continues the levy of 4¢ per cigarette of the total \$1.08 per pack state excise tax levied on cigarettes in the constitution.

Proposed law retains present law with respect to the excise taxes levied on tobacco products and retains present constitution with respect to the continuance of the additional 4¢ excise tax levied on cigarettes but provides for the levy of the additional 4¢ per cigarette excise tax in *statute* in order for all levies of the state excise tax on cigarettes to be statutorily imposed. Proposed law retains the total state excise tax levied on cigarettes at \$1.08 per pack.

Proposed law provides for a 75% reduction in the tax rates levied in present law on various tobacco products that are issued a risk modification order pursuant to present federal law (21 U.S.C. 387k(g)) that are commercially marketed and will significantly reduce harm and the risk of tobacco-related disease to individual users and are shown to benefit the health of the population as a whole or tobacco products that are delivered in interstate commerce and are not commercially marketed if the product appears to promote public health, the product or



its smoke does not contain or contains a reduced level of exposure to a substance in tobacco smoke.

Present law provides for definitions for the imposition and administration of the state excise tax levied on tobacco products. Proposed law retains present law but adds definitions for "invoice price" for purposes of determining the tax on promotional incentives. Further defines "manufacturer's net invoiced price".

Present law defines a "cigarette" as any roll for smoking entirely or partially made of tobacco, regardless of its size or shape and regardless of the tobacco being flavored, adulterated or mixed with any other ingredient, where the roll has a wrapper made of any material except tobacco.

Proposed law retains present law but adds that a "cigarette" includes any roll for heating pursuant to ordinary conditions of use made wholly or in part of tobacco.

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

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:841(B) and 842; Adds R.S. 47:841(H))