

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(2) and (20) and to enact R.S. 47:841(H),  
3 relative to the tobacco tax; to provide for the tax on cigarettes; to authorize a  
4 reduction in excise tax rates levied on tobacco products under certain circumstances;  
5 to provide for the calculation of the tax on certain tobacco products; to provide for  
6 definitions; to provide for applicability; to provide for an effective date; and to  
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:841(B) and 842(2) and (20) are hereby amended and reenacted  
10 and R.S. 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-tenths 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 as follows:

(1) Sixty percent for a modified risk tobacco product issued a risk modification order by the U.S. Food and Drug Administration pursuant to 21 U.S.C. 387k(g)(1).

(2) Forty percent for a modified risk tobacco product issued an exposure modification order by the U.S. Food and Drug Administration pursuant to 21 U.S.C. 387k(g)(2).

## §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:

\* \* \*

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

\* \* \*

(20) "Vapor products" shall 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. "Vapor products" include 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. Vapor products do not include cigarettes as defined in Paragraph (2) of this Section.

\* \* \*

Section 2.(A) Section 1 of Act No. 32 of the 2000 Regular Session of the Legislature levied the additional tax on cigarettes provided for in R.S. 47:841(B)(3). Section 4 of that Act provided for the effectiveness of this additional tax from July 1, 2000, through June 30, 2002. Section 1 of Act No. 21 of the 2002 Regular Session of the Legislature amended Section 4 of Act No. 32 of the 2000 Regular Session of the Legislature to extend the effectiveness of the additional tax levied on cigarettes in R.S. 47:841(B)(3) through June 30, 2012. During the 2011 Regular Session of the Legislature, Section 2 of House Bill No. 591 proposed to amend Section 4 of Act No. 21 of the 2002 Regular Session of the Legislature

1 to remove the termination date of the additional tax levied on cigarettes thereby making it  
2 permanent. However, House Bill No. 591 of the 2011 Regular Session of the Legislature  
3 was vetoed by the governor and therefore was not enacted. Section 1 of Act No. 423 of the  
4 2011 Regular Session of the Legislature enacted Article VII, Section 4.1 of the State  
5 Constitution to ensure that the dedication of the avails of the excise tax levied on cigarettes  
6 pursuant to R.S. 47:841(B)(3) continued to be deposited into the Health Excellence Fund by  
7 prohibiting the rate of the tax levied on cigarettes pursuant to the provisions of R.S.  
8 47:841(B)(3) from being less than the rate set forth in that provision as it existed on January  
9 1, 2012. Therefore the additional tax levied on cigarettes pursuant to R.S. 47:841(B)(3)  
10 continues to be levied, collected, and dedicated in accordance with Article VII, Section 4.1  
11 of the State Constitution.

12 (B) R.S. 47:841(B)(3) as enacted in Section 1 of this Act continues the tax levied  
13 pursuant to the provisions of Sections 1 and 4 of Act No. 32 of the 2000 Regular Session of  
14 the Legislature as amended by Section 1 of Act No. 21 of the 2002 Regular Session of the  
15 Legislature and as continued by Article VII, Section 4.1 of the State Constitution. The tax  
16 levied on cigarettes pursuant to R.S. 47:841(B)(3) by this Act is continuing in statute, the  
17 tax that is provided for in Article VII, Section 4.1 of the State Constitution. The total state  
18 excise tax levied on cigarettes shall not be increased as a result of the enactment of R.S.  
19 47:841(B) in this Act.

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

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

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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 669 Engrossed

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 60% 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)(1)) 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.

Proposed law provides for a 40% 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)(2)) that are delivered in interstate commerce and are not necessarily 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.

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(2) and (20); Adds R.S. 47:841(H))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Remove definitions in proposed law for "invoice price" for purposes of determining the tax on promotional incentives and "manufacturer's net invoiced price" and "promotional incentives".
2. Change the excise tax rate reduction in proposed law for modified risk tobacco products from 75% to 60% on products that are commercially marketed that 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.
3. Change the excise tax rate reduction in proposed law for modified risk tobacco products from 75% to 40% on products delivered in interstate commerce 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.