

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 517** HLS 25RS 878

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

**REVISED**

<b>Date:</b> May 16, 2025	1:34 PM	<b>Author:</b> BRASS
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Dedicates smokeless tobacco excise tax proceeds		

TAX/TOBACCO TAX RE -\$6,000,000 GF RV See Note Page 1 of 1  
Increases the excise tax levied on vapor products and electronic cigarettes and changes the basis of the tax to a percentage of the invoice price of these products

Current law levies an excise tax on smokeless tobacco of 20% of invoice price that flows to the SGF.

Proposed law retains current law and creates the Youth Cessation and Prevention Fund to which 20% of the proceeds of the smokeless tobacco excise tax will be deposited and appropriated to the various entities listed below in the revenue explanation.

Effective upon signature

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	<b>(\$6,000,000)</b>	<b>(\$6,000,000)</b>	<b>(\$6,000,000)</b>	<b>(\$6,000,000)</b>	<b>(\$6,000,000)</b>	<b>(\$30,000,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>\$6,000,000</b>	<b>\$6,000,000</b>	<b>\$6,000,000</b>	<b>\$6,000,000</b>	<b>\$6,000,000</b>	<b>\$30,000,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

LDR anticipates incurring minimal costs in IT system design, development and testing. LFO believes that the department can absorb this amount within its current budget but may require additional resources if the aggregate impact of all bills enacted during this session is substantive. Treasury requires certain resources to create and administer a statutory dedication, as in this bill. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required.

The bill mandates an annual appropriation out of the fund to be allocated in the following manner: 40% to LA Cancer Research Center, 40% to LDH, OPH, and the Bureau of Chronic Disease Prevention and Healthcare Access for the Well-Ahead LA Program, 10% to the Cancer Center at LSUHSC in Shreveport and 10% to Mary Bird Perkins Cancer Center in Gonzales. The estimated dollar totals allocated to each are delineated in the Revenue Section below.

House and Senate rules indicate that a dedication of \$100,000 or more in SGF is treated as a fiscal cost, which forms the basis for dual referral.

**REVENUE EXPLANATION**

Excise taxation of smokeless tobacco remains at 20% of invoice price and the bill dedicates 20% of the proceeds of the tax that is currently deposited to the SGF into the newly created Youth Cessation and Prevention Fund. In FY 24, net collections from the tax totaled about \$30 M, which forms the basis for the fiscal note estimate.

The bill creates the Youth Cessation and Prevention Fund to which 20% of the proceeds of the smokeless tobacco excise tax, estimated at \$6 M annually, are directed. The bill mandates an annual appropriation out of the fund to be allocated in the following manner: 40% to LA Cancer Research Center, 40% to LDH, OPH, and the Bureau of Chronic Disease Prevention and Healthcare Access for the Well-Ahead LA Program, 10% to the Cancer Center at LSUHSC in Shreveport and 10% to Mary Bird Perkins Cancer Center in Gonzales. Using FY 24 as a base, the fund would be allocated as follows:

40%	LA Cancer Research Center	\$2.4 M
40%	Office of Public Health	\$2.4 M
10%	LSUHSC - Shreveport	\$0.6 M
10%	Mary Bird Perkins - Gonzales	\$0.6 M
		<b>\$6.0 M</b>

Senate  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*

**Alan M. Boxberger**  
**Legislative Fiscal Officer**