

Regular Session, 2011

HOUSE BILL NO. 591

BY REPRESENTATIVES RITCHIE, ARNOLD, AUBERT, AUSTIN BADON, BOBBY BADON, BISHOP, BROSSETT, BURRELL, DIXON, DOWNS, EDWARDS, FRANKLIN, HARDY, HENDERSON, HINES, HOFFMANN, HONORE, MICHAEL JACKSON, ROSALIND JONES, LAFONTA, LEGER, MONTOUCET, MORENO, PATRICIA SMITH, ST. GERMAIN, STIAES, AND WOOTON

TAX/TOBACCO TAX: Removes termination of the applicability of a certain portion of the tax levied on cigarettes

1 AN ACT

2 To amend and reenact R.S. 47:841(B)(2) and Section 4 of Act No. 32 of the 2000 Regular
3 Session of the Legislature, as amended and reenacted by Act No. 21 of the 2002
4 Regular Session of the Legislature, and to enact R.S. 47:841(G), relative to the
5 tobacco tax; to remove termination of the applicability of a certain portion of the tax
6 levied on cigarettes; to provide for the use of the avails of the tax; to provide for an
7 effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:841(B)(2) is hereby amended and reenacted and R.S. 47:841(G)
10 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, and smoking and smokeless tobacco, as defined
14 herein, within the state of Louisiana, according to the classification and rates
15 hereinafter set forth:

16 * * *

17 B. Cigarettes.

18 * * *

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)]

Ritchie

HB No. 591

Abstract: Removes the June 30, 2012, termination date for levying a tax of four-twentieths of one cent per cigarette, making that portion of the tax permanent, and provides for the use of the avails of the tax.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigars, cigarettes, and smoking and smokeless tobacco in La.

Present law levies a tax on cigarettes at the rate of .36¢ per pack. However, authorization for the levy of a tax of four-twentieths of one cent per cigarette is set to terminate on June 30, 2012.

Proposed law retains present law but removes the June 30, 2012, termination date for levying the tax of four-twentieths of one cent per cigarette, making the levy of this portion of the tax on cigarettes permanent.

Proposed law requires the revenues derived from the tax imposed pursuant to proposed law to be deposited into the state general fund and shall be available exclusively for the support of expenditures for the direct provision of health care services which are eligible for federal financial participation. Further provides that if insufficient federal financial participation is available to support such services in any fiscal year, these monies may be appropriated to support state programs to provide for the services.

Proposed law requires the secretary of the Dept. of Revenue, on the last day of Nov. of each year, to provide to the chairman of the JLCB and the commissioner of administration, an official estimate of the amount of state revenues received within the previous 12 months derived from the tax imposed pursuant to proposed law. The estimate shall be utilized by the commissioner of administration in the preparation of the following year's executive budget in which a recommendation shall be made to appropriate such amount for the purposes provided herein.

Effective July 1, 2011.

(Amends R.S. 47:841(B)(2) and §4 of Act No. 32 of 2000 R.S. as amended by Act No. 21 of 2002 R.S.); Adds R.S. 47:841(G)

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Requires revenues derived from the tax imposed pursuant to proposed law to be deposited into the state general fund and made available exclusively for the support of expenditures for the direct provision of health care services which are eligible for federal financial participation.
2. Requires the secretary of the Dept. of Revenue, on the last day of Nov. of each year, to provide an official estimate of the amount of state revenues received within the previous 12 months derived from the tax imposed pursuant to proposed law. Requires the estimate to be utilized in the preparation of the

following year's executive budget in which a recommendation shall be made to appropriate such amount for the purposes provided for in proposed law.