HLS 13RS-802 ORIGINAL

Regular Session, 2013

HOUSE BILL NO. 235

1

BY REPRESENTATIVE BADON

TAX/TOBACCO TAX: Increases the tax on cigarettes and dedicates a portion of the proceeds of the tax

AN ACT

2 To amend and reenact R.S. 47:841.1(A) and to enact R.S. 47:841(B)(6) and 841.2, relative 3 to the tobacco tax; to increase the tax on cigarettes; to provide for the deposit of 4 funds into the Tobacco Tax Health Care Fund; to establish the New Orleans Regional 5 Planning Commission Tobacco Tax Fund as a special treasury fund; to provide for 6 the deposit, use, and investment of monies in the New Orleans Regional Planning 7 Commission Tobacco Tax Fund; to provide for an effective date; and to provide for 8 related matters. 9 Be it enacted by the Legislature of Louisiana: 10 Section 1. R.S. 47:841.1(A) is hereby amended and reenacted and R.S. 47:841(B)(6) 11 and 841.2 are hereby enacted to read as follows: 12 §841. Imposition of tax 13 There is hereby levied a tax upon the sale, use, consumption, handling, or 14 distribution of all cigars, cigarettes, and smoking and smokeless tobacco, as defined 15 herein, within the state of Louisiana, according to the classification and rates 16 hereinafter set forth: 17 18 B. 19

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

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## §841.1. Tobacco Tax Health Care Fund

A. There is hereby created as a special fund in the state treasury the "Tobacco Tax Health Care Fund", hereinafter referred to as the "fund". After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, and after a sufficient amount is allocated from that fund to pay all of the obligations secured by the full faith and credit of the state which become due and payable within any fiscal year, the state treasurer shall annually deposit to the fund an amount equal to the avails of the tax imposed under the provisions of R.S. 47:841(B)(4) and (5), and seventy-five percent of the avails of the tax imposed under the provisions of R.S. 47:841(B)(6). The monies in this fund shall be used solely as provided by this Section and only in the amounts appropriated by the legislature.

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## §841.2. New Orleans Regional Planning Commission Tobacco Tax Fund

A. There is hereby created as a special fund in the state treasury the "New Orleans Regional Planning Commission Tobacco Tax Fund", hereinafter referred to as the "fund". After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, and after a sufficient amount is allocated from that fund to pay all of the obligations secured by the full faith and credit of the state which become due and payable within any fiscal year, the state treasurer shall annually deposit to the fund an amount equal to twenty-five percent of the avails of the tax imposed under the provisions of R.S. 47:841(B)(6). The monies in this fund shall be used solely as provided for in this Section and only in the amounts appropriated by the legislature.

| 1  | (B) All unexpended and unencumbered monies in this fund at the end of the                |
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| 2  | fiscal year shall remain in the fund. The monies in the fund shall be invested by the    |
| 3  | state treasurer in the same manner as monies in the state general fund, and all          |
| 4  | earnings on investment of the fund shall be deposited into the fund.                     |
| 5  | (C) Monies in the fund shall be subject to annual appropriation solely for use           |
| 6  | by the New Orleans Regional Planning Commission for maintenance, landscaping,            |
| 7  | grass cutting, trash pickup, and functional and ornamental lighting of the Crescent      |
| 8  | City Connection Bridge.  |
| 9  | Section 2. This Act shall become effective on July 1, 2013; if vetoed by the governor    |
| 10 | and subsequently approved by the legislature, this Act shall become effective on July 1, |
| 11 | 2013, or on the day following such approval by the legislature, whichever is later.      |

## **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)]

Badon HB No. 235

**Abstract:** Increases the tax on cigarettes <u>from</u> 36¢ per pack <u>to</u> \$1.41 per pack and dedicates a portion of the revenue to Tobacco Tax Health Care Fund and dedicates a portion to the newly created New Orleans Regional Planning Commission Tobacco Tax Fund for maintenance of the Crescent City Connection Bridge.

<u>Present law</u> (R.S. 47:841) provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigars, cigarettes, and smoking tobacco in La. <u>Present law</u> levies a tax on cigarettes at the rate of  $36\phi$  per pack. <u>Present law</u> provides that  $4\phi$  of such tax expired on June 30, 2012, but <u>present constitution</u> provides for the continuance of the tax. <u>Proposed law</u> retains <u>present law</u> but increases the tax per cigarette by five and five twentieths of one cent per cigarette thereby increasing the tax per pack <u>from</u>  $36\phi$  per pack <u>to</u> \$1.41 per pack.

<u>Present law</u> (R.S. 47:841.1) creates the Tobacco Tax Health Care Fund and dedicates a portion of the cigarette tax collected in <u>present law</u> (twelve twentieths of 1¢ per cigarette) into the fund. <u>Proposed law</u> retains <u>present law</u> and further dedicates 75% of the additional tax levied in <u>proposed law</u> to the Tobacco Tax Health Care Fund.

<u>Proposed law</u> creates the New Orleans Regional Planning Commission Tobacco Tax Fund. <u>Proposed law</u> dedicates 25% of the additional tax levied in <u>proposed law</u> into the fund and provides that the funding shall be used by the New Orleans Regional Planning Commission for maintenance, landscaping, grass cutting, trash pickup, and functional and ornamental lighting of the Crescent City Connection Bridge.

Effective July 1, 2013.

(Amends R.S. 47:841.1(A); Adds R.S. 47:841(B)(6) and 841.2)

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