

2015 Regular Session

HOUSE BILL NO. 487

BY REPRESENTATIVE LEGER

TAX/TOBACCO TAX: Levies an additional tax on cigarettes and dedicates the monies

1 AN ACT

2 To enact R.S. 47:841(B)(6) and 841.2, relative to the tobacco tax; to provide with respect
3 to the rate of tax levied on certain tobacco products; to increase the rate of the tax
4 levied on cigarettes; to establish the Healthier Louisiana Fund as a special treasury
5 fund; to provide for the deposit, use, and investment of the monies in the fund; to
6 provide with respect to the application of the tax on cigarettes in the inventory of
7 certain retail and wholesale dealers; to provide for an effective date; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:841(B)(6) and 841.2 are 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 * * *

19 (6) In addition to the tax levied in Paragraphs (1), (2), (4), and (5) of this
20 Subsection and in Paragraph (3) of this Subsection as continued in effect by Article

1 (4) Ten percent of the monies in the fund shall be used solely by the
2 Louisiana State University Board of Supervisors to provide funding for the Louisiana
3 State University Health Sciences Center in New Orleans.

4 (5) Ten percent of the monies in the fund shall be used solely by the
5 Louisiana State University Board of Supervisors to provide funding for the
6 Pennington Biomedical Research Center.

7 (6) Ten percent of the monies in the fund shall be deposited into the
8 MediFund. The appropriation to the MediFund pursuant to the provisions of this
9 Paragraph shall be for four consecutive years beginning in Fiscal Year 2015-2016.
10 Thereafter, the ten percent appropriation pursuant to the provisions of this Paragraph
11 from the monies in the Healthier Louisiana Fund shall be used solely by the
12 Louisiana State University Board of Supervisors to provide funding for the Louisiana
13 Cancer Research Consortium. The appropriation made pursuant to this Paragraph
14 shall be in addition to the appropriation to the Cancer Research Consortium pursuant
15 to Paragraph (7) of this Subsection.

16 (7) Ten percent of the monies in the fund shall be used solely by the
17 Louisiana State University Board of Supervisors to provide funding for the Louisiana
18 Cancer Research Consortium.

19 (8) Four percent of the monies in the fund shall be used solely to provide
20 funding for the office of mental health, Department of Health and Hospitals.

21 (9) Three percent of the monies in the fund shall be used solely by the
22 Southern University Board of Supervisors to provide funding for the Southern
23 University Agricultural Research and Extension Center.

24 (10) Three percent of the monies in the fund shall be used solely by the
25 Louisiana State University Board of Supervisors to provide funding for the College
26 of Agriculture's AgCenter.

27 (11) Two percent of the monies in the fund shall be used solely by the
28 Louisiana State University Board of Supervisors to provide funding for Louisiana's
29 Flagship University in Baton Rouge, Louisiana.

1 (12) One and one-half percent of the monies in the fund shall be used solely
2 by the Victims Reparations Fund to provide funding for emergency room medical
3 expenses for victims of rape.

4 (13) One and one-half percent of the monies in the fund shall be used solely
5 by the Mary Bird Perkins - Our Lady of the Lake Cancer Center to provide funding
6 fo cancer research.

7 (14) One percent of the monies in the fund shall be used solely by the Board
8 of Directors for the New Orleans BioInnovation Center to support growing
9 technology companies.

10 Section 2. The increase in the cigarette tax imposed by this Act shall apply to all
11 cigarette products purchased by retail dealers and wholesale dealers on and after July 1,
12 2015, and shall not apply to stamped products and unused tax stamps in the possession of
13 wholesale dealers prior to July 1, 2015. All wholesale and retail dealers shall file an
14 inventory with the secretary of the Department of Revenue of all cigarettes on hand prior to
15 July 1, 2015. The inventory shall be filed by August 1, 2015. The secretary shall have
16 authority to adopt rules and regulations as to the filing of the inventory report.

17 Section 3. The increase in the cigarette tax levied by the provisions of this Act shall
18 be effective for the period beginning on July 1, 2015.

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 487 Original

2015 Regular Session

Leger

Abstract: Levies an additional tax of 72¢ per pack of 20 cigarettes thereby increasing the total tax per pack of 20 cigarettes from 36¢ per pack to \$1.08 per pack and dedicates the monies from the additional tax into the Healthier Louisiana Fund.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigarettes. The amount of the tax per pack of 20 cigarettes is 36¢.

Proposed law retains present law but levies an additional tax upon cigarettes equal to three and twelve-twentieths of 1¢ per cigarette thereby increasing the total tax per pack of 20 cigarettes from 36¢ per pack to \$1.08 per pack of 20 cigarettes.

Proposed law creates a special fund within the state treasury to be called the "Healthier Louisiana Fund" in which the state treasurer shall annually deposit an amount equal to the

avails of the additional tax on cigarettes. Proposed law requires the monies appropriated from the fund to be used solely for the following purposes in the following amounts:

- (1) 17.5 % to be deposited into the La. Medical Assistance Trust Fund to be used solely for the Medical Vendor Program.
- (2) 16.5% to be deposited into the Workforce and Innovation for a Stronger Economy (WISE) fund to be used as provided for in present law.
- (3) 10% to be used by the LSU Board of Supervisors to provide funding for the LSU Health Sciences Center in Shreveport.
- (4) 10% to be used by the LSU Board of Supervisors to provide funding for the LSU Health Sciences Center in New Orleans.
- (5) 10% to be used by the LSU Board of Supervisors to provide funding for the Pennington Biomedical Research Center.
- (6) 10% to be deposited into the MediFund. This appropriation to the MediFund shall be for four consecutive years beginning in FY 2015-2016. Thereafter, the 10% appropriation shall be used by the LSU Board of Supervisors to provide funding for the La. Cancer Research Consortium.
- (7) 10% to be used by the LSU Board of Supervisors to provide funding for the La. Cancer Research Consortium.
- (8) 4% to be used to provide funding for the office of mental health, Department of Health and Hospitals (DHH).
- (9) 3% to be used by the Southern University (SU) Board of Supervisors to provide funding for the SU Agricultural Research and Extension Center.
- (10) 3% to be used by the LSU Board of Supervisors to provide funding for the College of Agriculture's AgCenter.
- (11) 2% to be used by the LSU Board of Supervisors to provide funding for Louisiana's Flagship University in Baton Rouge.
- (12) 1.5% to be used by the Victims Reparations Fund to provide funding for emergency room medical expenses for victims of rape.
- (13) 1.5% to be used by the Mary Bird Perkins - Our Lady of the Lake Cancer Center to provide funding fo cancer research.
- (14) 1% to be used by the Board of Directors for the New Orleans BioInnovation Center to support growing technology companies.

Proposed law provides that the additional tax shall apply to all cigarette products purchased by retail dealers and wholesale dealers on and after July 1, 2015, but shall not apply to stamped products and unused tax stamps in the possession of wholesale dealers prior to July 1, 2015. Requires all wholesale and retail dealers to file an inventory with the Dept. of Revenue by Aug. 1, 2015, of all cigarettes on hand prior to July 1, 2015.

Proposed law authorizes the Dept. of Revenue to adopt rules and regulations as to the filing of the inventory report.

Effective July 1, 2015.

(Adds R.S. 47:841(B)(6) and 841.2)