

GREEN SHEET REDIGEST

HB 477

2015 Regular Session

Montoucet

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

TOBACCO/TOBACCO PRODUCTS. Provides for minimum pricing of cigarettes

DIGEST

Abstract: Provides relative to minimum cigarette pricing and related definitions, requirements, procedures, and penalties.

Present law provides for definitions relative to tobacco products.

Proposed law retains present law and adds definitions for the following terms: "rebate or coupon", "replacement cost", "retail sales", "trade discount" and "wholesale sales".

Proposed law provides that if any person is engaged in the business of making sales both at retail and wholesale, "retailer" shall only apply to the retail portion of the business and "wholesaler" shall only apply to the wholesale portion of the business.

Proposed law authorizes the commissioner of ATC to suspend or revoke the permit of any dealer that fails to pay any sales taxes due to the state.

Present law requires the commissioner to issue the minimum wholesale and retail prices to all bona fide La. wholesale tobacco and retail dealers within 14 days of the manufacturer's price change, and requires the price to be computed in accordance with present law provisions.

Proposed law requires the commissioner to post the minimum wholesale and retail price schedule of each cigarette brand on a website maintained by ATC within five business days of the effective date of the manufacturer's, importer's, or sales entity affiliate's price change.

Proposed law requires every manufacturer, importer, or sales entity affiliate of cigarettes sold in La. to notify the commissioner of any price change in writing by the 28th day of each month preceding the effective date of the price changes, resulting from trade discounts, rebates, or coupons which shall be valid for at least 30 days.

Proposed law provides that any price change that is not provided to the commissioner as required by proposed law is prohibited from being included in the price change schedule or computed to determine the minimum retail prices of the product which cannot be sold for a price less than what is allowed in the minimum pricing schedule.

Proposed law provides for the computation for minimum retail prices as "costs to the retailer" for all cigarettes sold in La.

Proposed law provides for regulations for items that are advertised, offered for sale or given as a gift, sold with one or more other items for a combined price, or given with the sale of one or more items.

Provides for penalties for violations of proposed law.

(Amends R.S. 26:901(14)-(29), 909(B)(1)(b) and (2), and 924; Adds R.S. 26:901(30)-(34) and 909(A)(6))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Judiciary to the original bill:

1. Remove the phrase "for purposes of resale" from the definition of "sell at retail", "sales at retail", and "retail sale" as it relates to the title to tangible movable property that is transferred to the purchaser.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary B to the engrossed bill

1. Changes the deadline in proposed law for notifying the commissioner of a price change from the 20th of the month preceding the effective date of the change to the 28th of the month preceding the effective date of the change.
2. Changes proposed law price change notification requirement from all price changes to only those resulting from trade discounts, rebates or coupons.
3. Changes proposed law from providing that the failure to provide price changes to the commissioner prohibits that price from being used to compute minimum wholesale and retail prices for the product to the failure to provide price changes to the commissioner prohibiting that price from being used to compute minimum retail prices for the product.