

RÉSUMÉ DIGEST

ACT 406 (HB 477)

2015 Regular Session

Montoucet

Existing law provides for definitions relative to tobacco products.

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

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

New 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.

Prior law required 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 required the price to be computed in accordance with existing law provisions.

New 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.

New 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.

New law provides that any price change that is not provided to the commissioner as required by new 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.

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

New 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.

New law provides for penalties for violations of new law.

Effective August 1, 2015.

(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))