

2016 First Extraordinary Session

HOUSE BILL NO. 14

BY REPRESENTATIVE LEGER

TAX/TOBACCO TAX: Levies an additional tax on cigarettes (Item #4)

1 AN ACT

2 To enact R.S. 47:841(B)(7), relative to the tobacco tax; to provide with respect to the rate
3 of the tax levied on cigarettes; to increase the rate of the tax levied on cigarettes; to
4 provide with respect to the application of the tax on cigarettes in the inventory of
5 certain retail and wholesale dealers; to provide for an effective date; and to provide
6 for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:841(B)(7) is hereby enacted to read as follows:

9 §841. Imposition of tax

10 There is hereby levied a tax upon the sale, use, consumption, handling, or
11 distribution of all cigars, cigarettes, smoking and smokeless tobacco, and vapor
12 products and electronic cigarettes as defined herein, within the state of Louisiana,
13 according to the classification and rates hereinafter set forth:

14 * * *

15 B. Cigarettes.

16 * * *

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

21 * * *

1 Section 2. The increase in the cigarette tax imposed by this Act shall apply to all
2 cigarettes purchased by retail dealers and wholesale dealers on and after April 1, 2016, and
3 shall apply to stamped products in the possession of retail dealers and to stamped cigarettes
4 and unused tax stamps in the possession of wholesale dealers prior to April 1, 2016. All
5 wholesale and retail dealers shall file an inventory with the secretary of the Department of
6 Revenue on all cigarettes and unused tax stamps on hand prior to April 1, 2016. The
7 inventory shall be filed with the secretary and additional taxes paid by May 1, 2016. The
8 secretary shall have authority to adopt rules and regulations as to the filing of the inventory
9 report and the payment of taxes due.

10 Section 3. The increase in the cigarette tax levied by the provisions of this Act shall
11 be effective for the period beginning on April 1, 2016.

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 14 Original

2016 First Extraordinary Session

Leger

Abstract: Levies an additional tax of 22¢ per pack of 20 cigarettes thereby increasing the total tax per pack of 20 cigarettes from 86¢ per pack to \$1.08 per pack.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigarettes. The rate of tax per pack of 20 cigarettes is 86¢.

Proposed law retains present law but levies an additional tax upon cigarettes equal to 1-2/20 of 1¢ per cigarette thereby increasing the total tax per pack of 20 cigarettes from 86¢ per pack to \$1.08 per pack of 20 cigarettes.

Proposed law provides that the additional tax shall apply to all cigarettes purchased by retail dealers and wholesale dealers on and after April 1, 2016, and shall apply to stamped products and unused tax stamps in the possession of wholesale dealers prior to April 1, 2016. Requires all wholesale and retail dealers to file an inventory and pay the additional taxes to the Dept. of Revenue by May 1, 2016, of all cigarettes on hand prior to April 1, 2016.

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

Effective April 1, 2016.

(Adds R.S. 47:841(B)(7))