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## DIGEST

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HB 10 Original

2016 First Extraordinary Session

Cox

**Abstract:** Reduces the amount of the discount for the accurate reporting and timely remittance of state excise taxes on tobacco products and the discount for stamping cigarettes from 6% to 3%.

Present law requires cigarette tax stamps to be sold to bonded, registered La. tobacco dealers who have a direct purchasing contract with a manufacturer at a discount of 6% from the face value when purchased in quantities of not less than \$100 face value. Further requires the same discount to apply where metered stamping machines or devices are used.

Present law requires the secretary of the Dept. of Revenue to allow out-of-state wholesale tobacco dealers who have a direct purchasing contract with a manufacturer and who serve a trade area of retail dealers in this state to purchase La. stamps with the benefit of a discount that shall not exceed 6% regardless of the discount extended by other states. Further provides that the amount of the discount shall not exceed the discount received by wholesale tobacco dealers in their states of domicile.

Proposed law reduces the amount of the discount for in-state wholesale tobacco dealers from 6% to 3% and the discount for out-of-state wholesale tobacco dealers from not to exceed 6% to not to exceed 3% .

Present law requires every registered tobacco dealer receiving and handling cigars and smoking tobaccos in this state in which the tax has not been previously paid, to file a report of the total amount of cigars and smoking tobaccos received and handled during the preceding month and to pay the taxes due within 20 days after the expiration of each month. Further requires all out-of-state La. registered tobacco dealers to file a report disclosing all sales of cigars and smoking tobaccos in this state during the preceding month and to pay the taxes due.

Present law authorizes a 6% discount for timely and accurately filing the report on purchases made by registered tobacco dealers in this state who have a direct purchasing contract with a manufacturer.

Proposed law reduces the amount of the discount for timely and accurately filing the report on purchases made by registered tobacco dealers in this state from 6% to 3%.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:843(B) and (C)(3) and 851(B)(4)(b))

