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## DIGEST

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HB 12 Original

2016 First Extraordinary Session

Cox

**Abstract:** Repeals the 6% discount for the accurate reporting and timely remittance of state excise taxes on tobacco products and the 6% discount for stamping cigarettes.

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 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 state of domicile.

Proposed law repeals the 6% discount for both in-state and out-of-state wholesale tobacco dealers.

Present law authorizes the refunding of the cost of stamps, less the amount of the discount, to wholesale dealers for damaged goods returned to the manufacturer.

Proposed law retains present law but removes references to the discount given for stamps that were affixed to damaged goods returned to the manufacturer.

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.

Proposed law retains present law.

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. Failure to file the report timely shall result in the forfeiture of the 6% discount.

Proposed law repeals the 6% discount for timely and accurately filing the report on purchases made

by registered tobacco dealers in this state and removes references to the forfeiture of the discount for failing to timely and accurately file the report.

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

(Amends R.S. 47:843(C)(3), (6), and (10) and 851(B)(4) and (5); Repeals R.S. 47:843(B))