

2016 First Extraordinary Session

HOUSE BILL NO. 26

BY REPRESENTATIVE COX

TAX/TOBACCO TAX: Reduces the amount of the discount for accurately reporting and remitting excise taxes on certain tobacco products and the amount of the discount for stamping cigarettes (Item #22)

1 AN ACT

2 To amend and reenact R.S. 47:843(B) and (C)(3) and 851(B)(4)(b), relative to state excise  
3 taxes; to provide relative to the discounts for the reporting and remitting of excise  
4 taxes on certain tobacco products; to provide relative to the discount for stamping  
5 cigarettes; to reduce the amount of the discounts for the reporting and remitting of  
6 excise taxes and the stamping of cigarettes; to provide for an effective date; and to  
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:843(B) and (C)(3) and 851(B)(4)(b) are hereby amended and  
10 reenacted to read as follows:

11 §843. Use of stamps or meter impression required; limitations

12 \* \* \*

13 B. Discounts. The secretary of the Department of Revenue shall allow  
14 wholesale tobacco dealers of other states who have a direct purchasing contract with  
15 a manufacturer and serving a trade area of retail dealers in this state to purchase  
16 Louisiana stamps with benefit of a three percent discount; ~~provided however, in no~~  
17 ~~instance shall the discount be greater than that which is received by such wholesale~~  
18 ~~tobacco dealers in their state of domicile and further provided that regardless of the~~  
19 ~~discount extended by other states, the discount shall not exceed six percent.~~

1 C. Purchase of stamps.

2 \* \* \*

3 (3) Cigarette tax stamps shall be sold by the secretary of the Department of  
4 Revenue to bonded registered Louisiana tobacco dealers in the state of Louisiana  
5 who hold a valid stamping agent designation in accordance with R.S. 26:902(2)(a)  
6 and who have a direct purchasing contract with a manufacturer at a discount of ~~six~~  
7 three percent from the face value, when purchased in quantities of not less than one  
8 hundred dollars face value, and the same provisions and discount shall apply where  
9 the metered stamping machine or device is used.

10 \* \* \*

11 §851. Dealers receiving unstamped and/or nontax paid cigarettes, cigars, and  
12 smoking tobaccos required to file monthly reports and maintain records;  
13 vending machine restrictions

14 \* \* \*

15 B. Registered tobacco dealers and stamping agents.

16 \* \* \*

17 (4)

18 \* \* \*

19 (b) A ~~six~~ three percent discount is allowable for timely and accurately filing  
20 ~~such~~ the report only on those purchases made by registered tobacco dealers in  
21 Louisiana who have a direct purchasing contract with a manufacturer. The secretary  
22 shall allow wholesale tobacco dealers of other states serving a trade area of retail  
23 dealers in this state who have a direct purchasing contract with a manufacturer to sell  
24 in this state with the benefit of the discount provided in this Section, ~~however, in no~~  
25 ~~instance shall the discount be greater than that which is received by such wholesale~~  
26 ~~tobacco dealers in their state of domicile and further provided that regardless of the~~  
27 ~~discount extended by other states, such discount shall not exceed six percent,~~  
28 provided ~~said~~ the dealers meet the requirements of a wholesale dealer as set forth in

1 R.S. 47:842(5). The transfer or disposal by a qualified dealer of any benefit herein  
2 conferred is prohibited except in the case of the original recipient.

3 \* \* \*

4 Section 2. This Act shall become effective upon signature by the governor or, if not  
5 signed by the governor, upon expiration of the time for bills to become law without signature  
6 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
7 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
8 effective on the day following such approval.

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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)]

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HB 26 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 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 the other state. 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 reduces the amount of the discount for out-of-state wholesale tobacco dealers from not to exceed 6% to 3% and deletes the limitation that the discount offered in La. can not exceed the discount provided for in their state of domicile.

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%.

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.

Proposed law reduces the amount of the discount for the purchase of cigarette stamps 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))