
DIGEST

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Peterson

HB No. 75

Abstract: Increases the tax on cigars, cigarettes, smoking tobacco, and smokeless tobacco.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigars, cigarettes, and smoking and smokeless tobacco in La.

Present law provides that the rate of the tax for cigars invoiced by the manufacturer at \$120 per thousand or less shall be 8% of the invoice price and the rate of the tax for cigars invoiced by the manufacturer at more than \$120 per thousand shall be 20% of the invoice price.

Proposed law increases the tax on cigars invoiced by the manufacturer at \$120 per thousand or less from 8% of the invoice price to 12% of the invoice price and increases the tax for cigars invoiced by the manufacturer at more than \$120 per thousand from 20% of the invoice price to 30% of the invoice price.

Present law levies a tax on cigarettes at the rate of 36¢ per pack.

Proposed law increases the tax on cigarettes from 36¢ per pack to \$1.36 per pack.

Present law provides that the rate of the tax for smoking tobacco shall be 33% of the invoice price.

Proposed law increases the tax on smoking tobacco from 33% of the invoice price to 49.5% of the invoice price.

Present law provides that the rate of the tax on smokeless tobacco shall be 20% of the invoice price.

Proposed law increases the tax on smokeless tobacco from 20% of the invoice price to 30% of the invoice price.

Present law provides for the establishment of the Tobacco Regulation Enforcement Fund to support enforcement activities of the office of alcohol and tobacco control. Requires the state treasurer to annually deposit an amount equal to the avails of one-quarter of one-twentieth of one cent per cigarette from the tax on cigarettes into the fund for purposes of tobacco regulation enforcement.

Proposed law retains present law.

Effective July 1, 2009.

(Amends R.S. 47:841(A), (C), and (E); Adds R.S. 47:841(B)(6))