

2021 Regular Session

HOUSE BILL NO. 514

BY REPRESENTATIVES MAGEE, BOURRIAQUE, HUGHES, LACOMBE, ORGERON,
AND WILLARD

TAX/SALES & USE: Levies a state tax on raw or crude marijuana recommended for
therapeutic use and provides for the disposition of the collections of the tax

1 AN ACT

2 To amend and reenact R.S. 47:301(10)(ii) and to enact R.S. 47:301.3 and R.S. 51:1286(E),
3 relative to state sales and use tax; to levy a state sales and use tax on the sale of raw
4 or crude marijuana recommended for therapeutic use; to provide for the disposition
5 of state sales and use taxes of raw or crude therapeutic marijuana; to provide for an
6 effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:301(10)(ii) is hereby amended and reenacted and R.S. 47:301.3
9 is hereby enacted to read as follows:

10 §301. Definitions

11 As used in this Chapter the following words, terms, and phrases have the
12 meanings ascribed to them in this Section, unless the context clearly indicates a
13 different meaning:

14 * * *

15 (10)

16 * * *

17 (ii) ~~For (i) Except as provided in Item (ii) of this Subparagraph,~~ for purposes
18 of sales and use tax imposed by the state or any political subdivision of the state, the
19 term "retail sale" or "sale at retail" shall not include marijuana recommended for
20 therapeutic use by patients clinically diagnosed as suffering from a debilitating
21 medical condition as defined in R.S. 40:1046.

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 514 Engrossed

2021 Regular Session

Magee

Abstract: Levies a state sales and use tax on raw or crude marijuana recommended for therapeutic use and provides for the disposition of the collections of the tax.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies in the following amounts:

R.S. 47:302 - 2%

R.S. 47:321 - 1%

R.S. 47:321.1 - .45%

R.S. 47:331 - .97%

R.S. 51:1286 - .03%

Present law provides a state and local sales and use tax exclusion for sales of marijuana recommended for therapeutic use.

Proposed law retains present law but excludes raw or crude marijuana recommended for therapeutic use from the exclusion in present law.

Proposed law levies a state sales and use tax on raw or crude marijuana recommended for therapeutic use.

Present law provides that of the collections of state sales and use taxes levied in present law (R.S. 47:302, 321, 321.1, and 331), .4% of the taxes are deposited into the LED Marketing fund and the remainder of the collections are deposited into the state general fund.

Proposed law provides instead that the collections of state sales and use taxes levied on sales of raw or crude marijuana recommended for therapeutic use shall be deposited into the Construction Subfund of the Transportation Trust Fund (subfund).

Present law levies a .03% state sales and use tax (R.S. 51:1286), the collections of which are pledged to pay for the levy and collection of the sales tax and to pay for media advertisements for the promotion of the state's tourism industry.

Proposed law provides that all proceeds of the .03% tax levied in present law from sales of raw or crude marijuana recommended for therapeutic use shall be deposited into the subfund. Otherwise retains present law.

Effective upon the enactment of HB No. 391 of the 2021 Regular Session.

(Amends R.S. 47:301(10)(ii); Adds R.S. 47:301.3 and R.S. 51:1286(E))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Specify that proposed law provides an exception to the current state sales and use tax exclusion for raw and crude marijuana recommended for therapeutic use.

2. Provide that proposed law will be effective if and when House Bill No. 391 of the 2021 Regular Session is enacted and becomes effective.