

Regular Session, 2012

HOUSE BILL NO. 648

BY REPRESENTATIVES PATRICK WILLIAMS AND LEBAS

TAX/SALES-USE, LOCAL: Requires local sales and use taxes to be collected on prescription drugs and pharmacist services based on the final payment price paid by certain parties

1 AN ACT

2 To amend R.S. 47:337.11.1(A), relative to local sales and use taxes; to provide relative to  
3 the collection of local sales and use taxes on prescription drugs and pharmacist  
4 services; to provide relative to the amount in which local sales and use taxes are  
5 based for prescription drugs and pharmacist services; to provide for an effective date;  
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:337.11.1(A) is hereby amended and reenacted to read as follows:

9 §337.11.1. Local sales and use tax; prescription drugs and pharmacist services;  
10 requirements

11 A. Upon the sale of prescription drugs and pharmacist services, a pharmacy  
12 or pharmacist shall be responsible for collecting any sales and use tax levied by a  
13 local political subdivision of this state and for remitting the amount of such tax to the  
14 levying authority. The local sales and use tax shall be collected based on the final  
15 payment price for the prescription drugs or pharmacist services paid by a health  
16 insurance issuer to the pharmacy benefit manager. It shall be the responsibility of  
17 the health insurance issuer to reimburse the pharmacy or pharmacist the amount of  
18 such tax in certain cases in which health insurance coverage for prescription drugs  
19 and pharmacist services exists, depending on the terms and conditions of the  
20 insured's agreement with its member or insured. All contracts executed by a health

1 insurance issuer after January 1, 2009, which includes health insurance coverage for  
 2 prescription drugs and pharmacist services shall clearly define the responsibility of  
 3 the health insurance issuer or the health insurance issuer's member or insured for the  
 4 payment of local taxes on the sale of prescription drugs and pharmacist services.  
 5 Upon receipt of an electronic transaction from a pharmacy indicating the sale of a  
 6 prescription drug or the rendering of the pharmacist services and specifying the  
 7 amount of any sales and use tax, a health insurance issuer or its agent shall advise the  
 8 pharmacy electronically of the applicable sales and use tax to be reimbursed to the  
 9 pharmacy.

\* \* \*

11 Section 2. This Act shall become effective upon signature by the governor or, if not  
 12 signed by the governor, upon expiration of the time for bills to become law without signature  
 13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 14 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 15 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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Patrick Williams

HB No. 648

**Abstract:** Requires local sales and use tax levied on prescription drugs and pharmacy services to be collected based on the final payment price paid by a health insurance issuer to the pharmacy benefit manager.

Present law requires a pharmacy or pharmacist to collect local sales and use taxes upon the sale of prescription drugs and pharmacist services and to remit the tax to the levying authority. Further provides that it shall be the responsibility of the health insurance issuer to reimburse the pharmacy or pharmacist the amount of the tax when health insurance coverage for prescription drugs and pharmacist services exists, depending on the terms and conditions of the insured's agreement with its member or insured.

Proposed law retains present law but provides that the local sales and use tax shall be collected based on the final payment price for the prescription drugs or pharmacist services paid by a health insurance issuer to the pharmacy benefit manager.

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

(Amends R.S. 47:337.11.1(A))