



**Historical Note:** For taxable periods beginning on and after September 1, 2007, this Revenue Information Bulletin has been superseded by [RIB 07-021](#), which incorporates changes made to the tobacco discounts by Act 474 of the 2007 Regular Session of the Louisiana Legislature.

**Revenue Information Bulletin No. 06-035**  
**November 13, 2006**  
**Tobacco Tax**

**Termination of Discount for Timely and Accurately Filing Report**

The Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana, in the case styled *Dixie Tobacco & Candy Co. v. Cynthia Bridges, Secretary et al.*, Suit No. 503,614, Section 23 has declared La. R.S. 47:851(B)(2)(b) violates the Commerce Clause of the United States Constitution, U.S. Const., Art. I., § 8, cl.3.

In general, the provision allowed a discount for timely and accurately filing a tobacco tax report. Specifically, the provision authorized the wholesale tobacco dealers who possessed a reciprocal agreement with the state of Louisiana; and, served a trade area of retail dealers in this state to sell in this state with the benefit of a discount if they timely and accurately filed a tobacco tax report.

To effectuate the receipt of this discount, the provision, authorized the secretary to enter into reciprocal agreements with other tax authorities. Finally, the discount could not be in excess of the discount extended to Louisiana wholesale tobacco dealers by the contracting state or in excess of six percent.

In short, the court determined La. R.S. 47:851(B)(2)(b) had the practical effect of discriminating against interstate commerce because it only provided a discount to Louisiana dealers and those in states with reciprocal agreements who timely and accurately file their report. As a result, the court declared the provision unconstitutional. This finding prohibits the Department from enforcing the provision found at La. R.S. 47:851(B)(2)(b). Therefore, a discount cannot be afforded for timely and accurately filing a tobacco report.

Discontinuance of this discount applies to all tobacco dealers, regardless of the possession of a reciprocal agreement, and will be effective for all tobacco reports due on or after January 1, 2007, which represents the December 2006 reporting period. Questions concerning the discontinuance of the discount should be directed to the Taxpayer Services Division at 225-219-2200.

Cynthia Bridges  
Secretary

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