

**Revenue Information Bulletin No. 15-023**

**June 29, 2015**

**Tobacco Tax**

**Changes to Tobacco Tax Law per Act 94**

Act 94, enacted during the 2015 Regular Legislative Session, levies an additional tax on cigarettes by two and ten-twentieths of one cent per cigarette increasing the tax from 1.8¢ per cigarette to 4.3¢ per cigarette, in effect raising the tax on a 20-pack of cigarettes from \$.36 per pack to \$.86 per pack. This increase is effective for cigarettes purchased by retail and wholesale dealers on or after July 1, 2015.

The Act further requires both wholesale and retail dealers to file an inventory report with the Department of Revenue by August 1, 2015, reporting all cigarettes on hand prior to July 1, 2015. Forms will be available on the Department's webpage at [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov).

The avails of the additional cigarette tax imposed by this instrument are to be deposited to the Tobacco Tax Medicaid Match Fund. The monies in the fund shall be appropriated to the Department of Health and Hospitals [DHH] for the medical assistance program administered by the state known as Medicaid. Monies appropriated from this fund are in addition to any appropriates from the state general fund for DHH.

In addition, the Act levies a tax on vapor products, including e-cigarettes, at the rate of five cents per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product. "Vapor products" is defined to mean any noncombustible product containing nicotine or other substances that employ a heating element, power source, electronic circuit, or other electronic, chemical or mechanical means, regardless of shape or size, used to produce vapor from nicotine in a solution or other form. "Vapor products" include any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device and any vapor cartridge or other container of nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. This new tax is effective August 1, 2015.

There are currently statutory provisions requiring dealers of vapor products to be permitted with the Office of Alcohol and Tobacco Control. Dealers of consumable nicotine liquid

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solutions are responsible for the tax imposed by this Act and are required to be registered with the Louisiana Department of Revenue. Individuals can be held responsible for the tax if they are found in possession of untaxed product.

Questions concerning this matter may be directed to Taxpayer Compliance - Excise Taxes Division at 855-307-3893, Option 2 and then Option 1.

**Tim Barfield**  
**Secretary**

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