



Revenue Information Bulletin No. 24-020
October 18, 2024
Excise Tax

Credit for Tax Paid on Unlisted Vapor and Alternative Nicotine Products

Act 567 of the 2024 Regular Session of the Louisiana Legislature enacted certain restrictions on vapor products and alternative nicotine products sold in Louisiana. Pursuant to La. R.S. 26:926.1(A), every vapor product manufacturer and alternative nicotine product manufacturer whose products are sold in this state, whether directly or through a wholesale dealer, retail dealer, or similar intermediary or intermediaries must certify to the Louisiana Office of Alcohol and Tobacco Control (ATC) that its products meet one of the requirements outlined in that section. ATC must maintain a directory, based on those certifications, of allowable products on its website. The Vapor Product and Alternative Nicotine Product Directory (the “directory”) was first made available on ATC’s website on November 10, 2023. The purpose of this Revenue Information Bulletin is to provide additional guidance regarding taxes paid on vapor products and alternative nicotine products, which are not listed on the directory and thus, can no longer be sold in Louisiana.

Who can claim credit for taxes paid on unsaleable product?

Credit can only be claimed by the taxpayer who reported and remitted the tax. Wholesalers and retailers who reported and remitted the tobacco tax directly to the Department of Revenue¹ can claim a credit under the circumstances listed below. However, retailers cannot claim credit for tax paid products purchased from a wholesaler. If a retailer returns unlisted products to the wholesaler, that transaction is governed by any agreement between the retailer and wholesaler.

When can credit be claimed?

Credit for taxes paid on unlisted tobacco products that were first sold, used, consumed, handled, or distributed in Louisiana prior to June 10, 2024 is allowed in three instances:

- When product is returned to the manufacturer
- When product is destroyed
- When product is exported outside of Louisiana

Beginning, June 10, 2024, the sale of vapor and alternative nicotine products not listed on the directory is prohibited.

¹The retailer must have reported the tax on Form R-5608, *Tobacco Tax Return for Retail Dealers of Vapor Products*.

A Revenue Information Bulletin (RIB) is issued under the authority of LAC 61:III.101 (D). A RIB is an informal statement of information issued for the public and employees that is general in nature. A RIB does not have the force and effect of law and is not binding on the public or the Department.

Product Returned to the Manufacturer

Credit may be claimed for the amount of tax paid on unlisted vapor products and alternative nicotine products that are returned to the manufacturer as unsaleable. Retailers claiming the credit must report each returned product on [Form R-5608-S2](#), *Retail Dealers of Vapor Products Schedule 2- Vapor Products Returned as Non-Saleable* (“Schedule 2”) and claim the credit on Line 6 of Form R-5608², *Tobacco Tax Return for Retail Dealers of Vapor Products* (“Form R-5608”). Wholesalers must report each product returned to the manufacturer on [Form R-5604B\(C\)](#), *Tobacco Tax Schedule of Taxes* (“credit schedule”) and claim the credit on Line 25c or 25d of Form R-5604³, *Louisiana Tobacco Tax Return* (“Form 5604”) based on the type of tobacco product returned.

In all cases, an original, signed affidavit from the manufacturer, a copy of the credit memo and a copy of the purchase invoice must be attached to the return claiming the credit.

Products to be Destroyed

Credit may be claimed for the amount of tobacco tax paid on unlisted products destroyed by the taxpayer provided the following requirements are met. LDR must witness the destruction of any products for which credit will be claimed. If unlisted products are to be destroyed, the taxpayer must contact LDR in advance to schedule a date and time for and LDR representative to be present. At the time of destruction, the LDR representative will provide the taxpayer with a completed Form R-5801, *Certification of Damaged Stock or Destroyed Tobacco Stamps*. This form, along with a copy of the taxpayer’s purchase invoice must be attached to and filed with the return claiming the credit.

Retailers claiming the credit must report each returned product on Schedule 2⁴ and claim the credit on Line 6 of Form R-5608. Wholesalers must report each product returned to the manufacturer on [Form R-5604B\(C\)](#), and claim the credit on Line 25c or 25d of Form R-5604.

Products Exported out of Louisiana

Wholesalers who ship unlisted vapor products out of Louisiana (export) may claim a credit for the amount of Louisiana tobacco tax paid on those products. The exported products must be reported on Form R-5604B(C) and the credit should be claimed on Line 25c or 25d of Form R-5604. Taxpayers must attach a copy of the Bill of Lading indicating where the unlisted products were shipped and a copy of their original purchase invoice to the return on which the credit is claimed.

² LAC 61:III.1533 requires electronic filing of all tobacco tax returns.

³ See footnote 2.

⁴ Despite its title, Form R-5608-S2 should be used to report products returned to the manufacturer as unsaleable, as well as unsaleable products destroyed by the taxpayer.

Revenue Information Bulletin 24-020

October 18, 2024

Page 3 of 3

Questions should be directed to the Tax Policy and Planning Division at Policy.Publications@la.gov.

Richard Nelson
Secretary