

# MAINE STATE LEGISLATURE

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# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1942

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H.P. 1301

House of Representatives, May 7, 2025

### **An Act to Modify Taxes Applying to Adult Use Cannabis, Hemp and Hemp Products**

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Reference to the Committee on Taxation suggested and ordered printed.

*Robert B. Hunt*  
ROBERT B. HUNT  
Clerk

Presented by Representative SAYRE of Kennebunk.  
Cosponsored by Senator BICKFORD of Androscoggin.

1       **Be it enacted by the People of the State of Maine as follows:**

2       **Sec. 1. 36 MRSA §1811, sub-§1, ¶D**, as amended by PL 2023, c. 643, Pt. H, §23  
3 and affected by §29 and amended by c. 673, §22 and affected by §28, is further amended  
4 to read:

5       D. For sales occurring on or after October 1, 2019 and before January 1, 2026, the rate  
6 of tax is 5.5% on the value of all tangible personal property and taxable services, except  
7 the rate of tax is:

- 8       (1) Eight percent on the value of prepared food;
- 9       (2) Eight percent on the value of liquor sold in licensed establishments as defined  
10      in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43  
11      and liquor sold for on-premises consumption by a licensed brewery, small brewery,  
12      winery, small winery, distillery or small distillery pursuant to Title 28-A, section  
13      1355-A, subsection 2, paragraph B;
- 14      (3) Nine percent on the value of rental of living quarters in any hotel, rooming  
15      house or tourist or trailer camp;
- 16      (4) Ten percent on the value of rental for a period of less than one year of:
  - 17          (a) An automobile; or
  - 18          (c) A loaner vehicle that is provided other than to a motor vehicle dealer's  
19          service customers pursuant to a manufacturer's or dealer's warranty; and
- 20      (5) Ten percent on the value of adult use cannabis, adult use cannabis products  
21      and, if sold by a person to an individual who is not a qualifying patient, cannabis  
22      and cannabis products beginning on the first day of the calendar month in which  
23      adult use cannabis and adult use cannabis products may be sold in the State by a  
24      cannabis establishment licensed to conduct retail sales pursuant to Title 28-B,  
25      chapter 1.

26       **Sec. 2. 36 MRSA §1811, sub-§1, ¶E** is enacted to read:

27       E. For sales occurring on or after January 1, 2026, the rate of tax is 5.5% on the value  
28       of all tangible personal property and taxable services, except the rate of tax is:

- 29       (1) Eight percent on the value of prepared food;
- 30       (2) Eight percent on the value of liquor sold in licensed establishments, as defined  
31       in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43,  
32       and liquor sold for on-premises consumption by a licensed brewery, small brewery,  
33       winery, small winery, distillery or small distillery pursuant to Title 28-A, section  
34       1355-A, subsection 2, paragraph B;
- 35       (3) Nine percent on the value of rental of living quarters in any hotel, rooming  
36       house or tourist or trailer camp;
- 37       (4) Ten percent on the value of rental for a period of less than one year of:
  - 38          (a) An automobile; or
  - 39          (b) A loaner vehicle that is provided other than to a motor vehicle dealer's  
40          service customers pursuant to a manufacturer's or dealer's warranty;

(5) Ten percent on the value of adult use cannabis, adult use cannabis products and, if sold by a person to an individual who is not a qualifying patient, cannabis and cannabis products sold by a cannabis establishment licensed to conduct retail sales pursuant to Title 28-B, chapter 1; and

(6) Twenty percent on the value of hemp, as defined in Title 7, section 2231, subsection 1-A, paragraph D, and hemp products that contain tetrahydrocannabinol.

**Sec. 3. 36 MRSA §1818**, as amended by PL 2021, c. 645, §5 and c. 669, §5, is further amended to read:

**§1818. Tax on adult use cannabis and adult use cannabis products**

All sales tax revenue collected pursuant to section 1811 on the sale of adult use cannabis and adult use cannabis products must be deposited into the General Fund, except that, before January 1, 2026, on or before the last day of each month, the State Controller shall transfer 12% of the sales tax revenue received by the assessor during the preceding month pursuant to section 1811 to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund established under Title 28-B, section 1101. Beginning January 1, 2026, all sales tax revenue collected pursuant to section 1811 on the sale of adult use cannabis and adult use cannabis products must be deposited into the General Fund, except that, on or before the last day of each month, the State Controller shall transfer 6% of the sales tax revenue received by the assessor during the preceding month pursuant to section 1811 to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund established under Title 28-B, section 1101.

**Sec. 4. 36 MRSA §4921, sub-§1-A** is enacted to read:

**1-A. Average wholesale price.** "Average wholesale price" means the median wholesale price per pound or fraction thereof of cannabis flower or cannabis trim that is sold or transferred from cultivation facility licensees to other licensees in the State, as determined by the department on an annual basis by routine technical rulemaking as described by Title 5, chapter 375, subchapter 2-A.

**Sec. 5. 36 MRSA §4921, sub-§9-A** is enacted to read:

**9-A. Products manufacturing facility.** "Products manufacturing facility" has the same meaning as in Title 28-B, section 102-A, subsection 51.

**Sec. 6. 36 MRSA §4923**, as amended by PL 2023, c. 679, Pt. C, §13, is repealed.

**Sec. 7. 36 MRSA §4923-A**, as enacted by PL 2021, c. 323, §5 and amended by c. 669, §5, is repealed.

**Sec. 8. 36 MRSA §4923-B** is enacted to read:

**§4923-B. Excise tax imposed; beginning January 1, 2026**

**1. Excise tax on average wholesale price.** Beginning January 1, 2026, a cultivation facility licensee shall pay an excise tax at the rate of 10% of the average wholesale price of adult use cannabis, including cannabis flower, cannabis trim, immature cannabis plants and seedlings, mature cannabis plants and cannabis seeds, sold to other licensees in this State.

**2. Sales and transfers between cultivation facilities and products manufacturing facilities.** An excise tax is not imposed under this section on a sale by a cultivation facility or products manufacturing facility of adult use cannabis to another cultivation facility or products manufacturing facility or on a transfer by a cultivation facility or products manufacturing facility of adult use cannabis to another cultivation facility or products manufacturing facility.

**Sec. 9. 36 MRSA §4924**, as enacted by PL 2019, c. 231, Pt. B, §7, is amended to read:

#### §4924. Returns; payment of excise tax

On Beginning January 1, 2026, on or before the 15th day of each month following the end of each quarter, a cultivation facility licensee shall file a return, as required by the assessor, and pay to the assessor all excise taxes due under this chapter for the preceding calendar ~~month~~ quarter.

**Sec. 10. 36 MRSA §4925**, as amended by PL 2021, c. 645, §6 and c. 669, §5, is further amended to read:

### **§4925. Application of excise tax revenue**

All excise tax revenue collected by the assessor pursuant to this chapter on the sale of adult use cannabis must be deposited into the General Fund, except that, before January 1, 2026, on or before the last day of each month, the assessor shall transfer 12% of the excise tax revenue received during the preceding month pursuant to this chapter to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund established in Title 28-B, section 1101. Beginning January 1, 2026, all excise tax revenue collected by the assessor pursuant to this chapter on the sale of adult use cannabis must be deposited into the General Fund, except that, on or before the last day of every 3rd month, the assessor shall transfer 6% of the excise tax revenue received during the preceding quarter pursuant to this chapter to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund established in Title 28-B, section 1101.

**Sec. 11. Effective date.** This Act takes effect January 1, 2026.

## SUMMARY

Beginning January 1, 2026, this bill imposes a sales tax of 20% on hemp and hemp products that contain tetrahydrocannabinol, or THC. It changes the percentage from 12% to 6% of the adult use cannabis sales tax and excise tax that is transferred to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund. It changes the method of taxation of adult use cannabis products to 10% of the average wholesale price of adult use cannabis sold by a cultivation facility licensee to other licensees. It provides that an excise tax is not imposed on the sale or transfer of adult use cannabis between cultivation facilities and products manufacturing facilities. It changes payment of the adult use cannabis excise tax to a quarterly schedule.