

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 433

H.P. 313

House of Representatives, February 7, 2017

**An Act To Allow Municipalities To Apply a Local Option Sales Tax
to the Sale of Marijuana**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative RYKERSON of Kittery.
Cosponsored by Representative TUELL of East Machias, Senator CHIPMAN of Cumberland,
Senator CHENETTE of York and Representatives: ALLEY of Beals, BATTLE of South
Portland, HANDY of Lewiston, McCREIGHT of Harpswell, SPEAR of South Thomaston,
TIPPING of Orono, WADSWORTH of Hiram, Senator: DION of Cumberland.

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

2 **Sec. 1. 36 MRSA §1818** is enacted to read:

3 **§1818. Municipal local option sales tax on marijuana**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 **A. "Participating municipality"** means a municipality that has imposed a local option
7 sales tax pursuant to this section.

8 **2. Authorization to impose local option sales tax on marijuana.** Notwithstanding
9 section 1817, subsection 2, a municipality that approves the location of a retail marijuana
10 store or a retail marijuana social club within the municipality under Title 7, section 2449
11 may impose a local option sales tax on retail marijuana or retail marijuana products
12 subject to tax under section 1817.

13 **3. Notify State Tax Assessor.** A municipality that imposes a local option sales tax
14 under subsection 2 shall notify the State Tax Assessor at least 90 days before the local
15 option sales tax is effective.

16 **4. Administration.** A retail marijuana store or a retail marijuana social club in a
17 participating municipality shall transfer the revenue from the local option sales tax under
18 this section at the time and in the manner provided in section 1951-A for the transfer of
19 state sales tax revenue. The tax is subject to the same enforcement provisions, interest,
20 penalties and administrative actions as other taxes assessed under this Part.

21 **5. Distribution of revenue.** Each month, the State Tax Assessor shall identify the
22 amount of revenue attributable to each participating municipality under this section,
23 subtract the costs of administering this section and certify to the Treasurer of State the net
24 amount due each participating municipality.

25 The Treasurer of State shall make monthly payments to the participating municipality of
26 the net amount certified under this subsection.

27 For purposes of this subsection, "costs of administering this section" means the lesser of
28 the actual cost to the assessor of administering this section and 2% of the total revenue
29 generated by local option sales taxes.

30 **SUMMARY**

31 This bill allows a municipality that approves the location of a retail marijuana store or
32 a retail marijuana social club to impose a local option sales tax. Revenue from the local
33 option sales tax after deduction for the cost of state administration is distributed to the
34 municipality.