

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1322

H.P. 957

House of Representatives, March 19, 2019

An Act To Provide Equitable Tax Treatment to State-licensed Marijuana Businesses

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 JORGENSEN of Portland.
Cosponsored by Senator CHIPMAN of Cumberland and
Representatives: BICKFORD of Auburn, HUBBELL of Bar Harbor, MAREAN of Hollis,
PIERCE of Falmouth.

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

2 **Sec. 1. 36 MRSA §5122, sub-§1, ¶LL**, as enacted by PL 2017, c. 474, Pt. C, §2,
3 is amended to read:

4 LL. An amount equal to the net operating loss carry-forward claimed as a deduction
5 under the Code, Section 172 in determining federal taxable income for the taxable
6 year that was previously allowed as a deduction pursuant to subsection 2, paragraph
7 ~~PP QQ~~.

8 **Sec. 2. 36 MRSA §5122, sub-§2, ¶PP**, as enacted by PL 2017, c. 452, §31, is
9 repealed and the following enacted in its place:

10 PP. For taxable years beginning on or after January 1, 2018, for business expenses
11 related to carrying on a trade or business as a registered caregiver, a registered
12 dispensary or a manufacturing facility, as defined in Title 22, section 2422, or a
13 marijuana establishment or testing facility, as defined in Title 28-B, section 102, an
14 amount equal to the deduction that would otherwise be allowable under this Part to
15 the extent that the deduction is disallowed under the Code, Section 280E.

16 **Sec. 3. 36 MRSA §5122, sub-§2, ¶PP**, as enacted by PL 2017, c. 474, Pt. C, §3,
17 is reallocated to 36 MRSA §5122, sub-§2, ¶QQ.

18 **Sec. 4. 36 MRSA §5200-A, sub-§1, ¶DD**, as enacted by PL 2017, c. 474, Pt. C,
19 §6, is amended to read:

20 DD. An amount equal to the net operating loss carry-forward claimed as a deduction
21 under the Code, Section 172 in determining federal taxable income for the taxable
22 year that was previously allowed as a deduction pursuant to subsection 2, paragraph
23 ~~BB FF~~.

24 **Sec. 5. 36 MRSA §5200-A, sub-§2, ¶BB**, as enacted by PL 2017, c. 452, §32, is
25 repealed and the following enacted in its place:

26 BB. For taxable years beginning on or after January 1, 2018, for business expenses
27 related to carrying on a trade or business as a registered caregiver, a registered
28 dispensary or a manufacturing facility, as defined in Title 22, section 2422, or a
29 marijuana establishment or testing facility, as defined in Title 28-B, section 102, an
30 amount equal to the deduction that would otherwise be allowable under this Part to
31 the extent that the deduction is disallowed under the Code, Section 280E.

32 **Sec. 6. 36 MRSA §5200-A, sub-§2, ¶BB**, as enacted by PL 2017, c. 474, Pt. C,
33 §7, is reallocated to 36 MRSA §5200-A, sub-§2, ¶FF.

34 **SUMMARY**

35 This bill expands the list of marijuana businesses that are licensed by the State and
36 are eligible to take deductions otherwise allowed under the state income tax laws to
37 include adult use marijuana establishments and testing facilities and medical marijuana
38 manufacturing facilities. This bill also corrects 2 lettering conflicts created when 2

1 separate public laws enacted new paragraphs with the same letter designations by
2 reallocating the later enacted versions.