

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 830

H.P. 598

House of Representatives, March 8, 2021

An Act To Restructure the Taxation of Adult Use Marijuana

Reference to the Committee on Taxation suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative PERRY of Bangor.

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

2 **Sec. 1. 28-B MRSA §205, sub-§4, ¶A**, as amended by PL 2019, c. 231, Pt. B, §1,
3 is further amended by amending subparagraph (3) to read:

4 (3) If the application is for a license to operate a cultivation facility, submit updated
5 operating and cultivation plans as required under section 302 based upon the actual
6 premises to be licensed, except that, if no changes to the original operating and
7 cultivation plans submitted by the applicant are necessary based upon the actual
8 premises to be licensed, then the applicant may satisfy this requirement by
9 resubmitting the original operating and cultivation plans and noting on those plans
10 that no changes are necessary; and

11 **Sec. 2. 28-B MRSA §205, sub-§4, ¶A**, as amended by PL 2019, c. 231, Pt. B, §1,
12 is further amended by amending subparagraph (4) to read:

13 (4) If the application is for any license except a license to operate a testing facility,
14 register with the State Tax Assessor pursuant to Title 36, section 1754-B to collect
15 and remit the sales tax on the sale of adult use marijuana and adult use marijuana
16 products imposed under Title 36, section 1811; ~~and.~~

17 **Sec. 3. 28-B MRSA §205, sub-§4, ¶A**, as amended by PL 2019, c. 231, Pt. B, §1,
18 is further amended by repealing subparagraph (5).

19 **Sec. 4. 28-B MRSA §501, sub-§3, ¶C**, as amended by PL 2019, c. 231, Pt. B, §2,
20 is further amended to read:

21 C. A nursery cultivation facility may sell and distribute to marijuana stores and other
22 cultivation facilities only immature marijuana plants, seedlings and marijuana seeds.
23 ~~Adult use marijuana sold by a nursery cultivation facility to marijuana stores and other~~
24 ~~cultivation facilities is subject to the excise tax imposed pursuant to Title 36, chapter~~
25 ~~723, which must be paid to the State Tax Assessor as required by subsection 9.~~

26 **Sec. 5. 28-B MRSA §501, sub-§6, ¶B**, as amended by PL 2019, c. 231, Pt. B, §3,
27 is further amended to read:

28 B. A cultivation facility licensee authorized pursuant to paragraph A to purchase
29 marijuana plants and marijuana seeds from registered caregivers and registered
30 dispensaries that transacts such a purchase shall ~~pay to the State Tax Assessor the~~
31 ~~excise taxes imposed pursuant to Title 36, chapter 723 on the sale of the marijuana~~
32 ~~plants and marijuana seeds. In addition to payment of the required excise taxes under~~
33 ~~this paragraph, the cultivation facility licensee shall~~ provide the department with an
34 accounting of the transaction, which must include information on the registered
35 caregiver or registered dispensary from which the licensee purchased the marijuana
36 plants and marijuana seeds, the number of mature marijuana plants, immature
37 marijuana plants, seedlings and marijuana seeds purchased in the transaction and any
38 other information required by the department by rule.

39 **Sec. 6. 28-B MRSA §501, sub-§9**, as amended by PL 2019, c. 231, Pt. B, §4, is
40 further amended to read:

41 **9. Excise tax; sales Sales tax.** ~~A cultivation facility licensee shall ensure that the tax~~
42 ~~imposed on the sale of adult use marijuana pursuant to Title 36, chapter 723 is paid to the~~

1 ~~State Tax Assessor.~~ A nursery cultivation facility licensee shall ensure that the tax imposed
2 on the sale of adult use marijuana and adult use marijuana products under Title 36, section
3 1811 is collected and remitted in accordance with the requirements of Title 36, Part 3 and
4 the rules adopted pursuant to Title 36, Part 3.

5 **Sec. 7. 28-B MRSA §1101, sub-§1, ¶A**, as amended by PL 2019, c. 231, Pt. B,
6 §6, is repealed.

7 **Sec. 8. 36 MRSA §1811, sub-§1, ¶D**, as amended by PL 2019, c. 607, Pt. B, §5,
8 is further amended to read:

9 D. For sales occurring on or after October 1, 2019, the rate of tax is 5.5% on the value
10 of all tangible personal property and taxable services, except the rate of tax is:

11 (1) Eight percent on the value of prepared food;

12 (2) Eight percent on the value of liquor sold in licensed establishments as defined
13 in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43
14 and liquor sold for on-premises consumption by a licensed brewery, small brewery,
15 winery, small winery, distillery or small distillery pursuant to Title 28-A, section
16 1355-A, subsection 2, paragraph F;

17 (3) Nine percent on the value of rental of living quarters in any hotel, rooming
18 house or tourist or trailer camp;

19 (4) Ten percent on the value of rental for a period of less than one year of:

20 (a) An automobile;

21 (b) A pickup truck or van with a gross vehicle weight of less than 26,000
22 pounds rented from a person primarily engaged in the business of renting
23 automobiles; or

24 (c) A loaner vehicle that is provided other than to a motor vehicle dealer's
25 service customers pursuant to a manufacturer's or dealer's warranty; ~~and~~

26 (5) ~~Ten percent~~ Until January 1, 2022, 10% on the value of adult use marijuana,
27 adult use marijuana products and, if sold by a person to an individual who is not a
28 qualifying patient, marijuana and marijuana products beginning on the first day of
29 the calendar month in which adult use marijuana and adult use marijuana products
30 may be sold in the State by a marijuana establishment licensed to conduct retail
31 sales pursuant to Title 28-B, chapter 1-; ~~and~~

32 (6) Beginning January 1, 2022, 20% on the value of adult use marijuana, adult use
33 marijuana products and, if sold by a person to an individual who is not a qualifying
34 patient, marijuana and marijuana products.

35 **Sec. 9. 36 MRSA §4401, sub-§9, ¶C**, as amended by PL 2019, c. 607, Pt. B, §7,
36 is further amended to read:

37 C. Any product that contains adult use marijuana ~~subject to tax under chapter 723;~~ or

38 **Sec. 10. 36 MRSA c. 723**, as amended, is repealed.

39 **Sec. 11. Effective date.** This Act takes effect January 1, 2022 except that the section
40 of this Act that amends the Maine Revised Statutes, Title 36, section 1811, subsection 1,

1 paragraph D takes effect 90 days after the adjournment of the First Regular Session of the
2 130th Legislature.

3

SUMMARY

4 This bill repeals the excise tax on adult use marijuana on January 1, 2022 and raises an
5 estimated equivalent amount of revenue by increasing the sales tax on adult use marijuana
6 and adult use marijuana products to 20% on January 1, 2022.