

MAINE STATE LEGISLATURE

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L D 1392

Date 6/22/23

(Filing No S-419)

MINORITY

TAXATION

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STATE OF MAINE

SENATE

131ST LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "B" to S P 559, L D 1392, "An Act to Change How the Adult Use Cannabis Excise Tax Is Calculated"

Amend the bill by striking out the title and substituting the following

'An Act to Change the Sales Tax on Adult Use Cannabis'

Amend the bill by striking out everything after the enacting clause and inserting the following

Sec. 1. 36 MRSA §1811, sub-§1, ¶A, as amended by PL 2019, c 607, Pt B, §2, is repealed

Sec. 2. 36 MRSA §1811, sub-§1, ¶B, as amended by PL 2019, c 607, Pt B, §3, is repealed

Sec. 3 36 MRSA §1811, sub-§1, ¶C, as amended by PL 2019, c 607, Pt B, §4 and PL 2021, c 669, §5, is repealed

Sec. 4. 36 MRSA §1811, sub-§1, ¶D, as amended by PL 2021, c 578, §4, c 658, §286 and c 669, §5, is further amended by amending subparagraph (5) to read

(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 beginning on the first day of the calendar month in which adult use cannabis and adult use cannabis products may be sold in the State by a cannabis establishment licensed to conduct retail sales pursuant to Title 28-B, chapter 1, except that the applicable tax rate under this subparagraph is 12.5% for sales occurring on or after January 1, 2024 and before January 1, 2025 and 15% for sales occurring on or after January 1, 2025

Sec. 5. Application. This Act applies to sales occurring on or after January 1, 2024 '

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively

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COMMITTEE AMENDMENT "B" to S.P. 559, L.D. 1392 (3.419)

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SUMMARY

This amendment replaces the bill and changes the title. The amendment provides for an increase in the sales tax on adult use cannabis to 12.5% in 2024 and 15% in 2025.

FISCAL NOTE REQUIRED

(See attached)



131st MAINE LEGISLATURE

LD 1392

LR 410(03)

An Act to Change How the Adult Use Cannabis Excise Tax Is Calculated

Fiscal Note for Bill as Amended by Committee Amendment "B" (S-419)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	(\$1,472,000)	(\$6,843,000)	(\$11,612,000)	(\$13,104,000)
Revenue				
General Fund	\$1,472,000	\$6,843,000	\$11,612,000	\$13,104,000
Other Special Revenue Funds	\$201,000	\$1,266,000	\$2,327,000	\$2,623,000

Fiscal Detail and Notes

This bill increases the sales tax on adult use cannabis and adult use cannabis products to 12.5% as of January 1, 2024 and 15% as of January 1, 2025. The net impact to the General Fund is an increase in revenue of \$1,472,000 in fiscal year 2023-24 and \$6,843,000 in fiscal year 2024-25. This total includes increased cannabis sales tax revenue of \$1,912,000 in fiscal year 2023-24 and \$9,249,000 in fiscal year 2024-25, combined with decreased cannabis excise tax revenue of \$239,000 in fiscal year 2023-24 and \$1,140,000 in fiscal year 2024-25 and increased transfers to the Local Government Fund and to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund totaling \$201,000 in fiscal year 2023-24 and \$1,266,000 in fiscal year 2024-25.