

# MAINE STATE LEGISLATURE

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Date: 3/25/26 Report 'A' L.D. 1942 (Filing No. H-901)

TAXATION

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
132ND LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1301, L.D. 1942, "An Act to Modify Taxes Applying to Adult Use Cannabis, Hemp and Hemp Products"

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

'An Act to Establish an Excise Tax on Prerolled Cannabis Cigarettes and to Change the Tax on Potentially Intoxicating Hemp Products'

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

Sec. 1. 36 MRSA §1811, sub-§1, ¶D, as amended by PL 2025, c. 87, §7 and c. 388, Pt. F, §1 and affected by §5, is further amended by amending subparagraph (4), division (c) to read:

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

Sec. 2. 36 MRSA §1811, sub-§1, ¶D, as amended by PL 2025, c. 87, §7 and c. 388, Pt. F, §1 and affected by §5, is further amended by amending subparagraph (5) to read:

(5) Before January 1, 2026, 10% 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. For sales occurring on or after January 1, 2026, the applicable rate of tax under this subparagraph is 14%; and

Sec. 3. 36 MRSA §1811, sub-§1, ¶D, as amended by PL 2025, c. 87, §7 and c. 388, Pt. F, §1 and affected by §5, is further amended by enacting subparagraph (6) to read:

(6) For sales occurring on or after January 1, 2027, 14% on the value of a potentially intoxicating hemp product, as defined in Title 7, section 2231, subsection 1-A, paragraph H.

COMMITTEE AMENDMENT

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**Sec. 4. 36 MRSA §4921, sub-§9-B** is enacted to read:

**9-B. Prerolled cannabis cigarette.** "Prerolled cannabis cigarette" means cannabis flower, cannabis trim or a combination of cannabis flower and cannabis trim that is rolled in rolling papers, cigarette papers or wraps, with or without a cardboard filter.

**Sec. 5. 36 MRSA §4923, sub-§3-B** is enacted to read:

**3-B. Excise tax on prerolled cannabis cigarettes.** Beginning January 1, 2027, a cultivation facility licensee shall pay an excise tax of \$143 per pound or fraction thereof of the combined weight of the cannabis flower and cannabis trim contained in a prerolled cannabis cigarette sold to another licensee in the State.

**Sec. 6. 36 MRSA §4924, first ¶,** as enacted by PL 2019, c. 231, Pt. B, §7, is amended to read:

~~On~~ Before January 1, 2027, on or before the 15th day of each month, 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. Beginning January 1, 2027, on or before the last day of each month, 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.

**Sec. 7. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF Revenue Services, Bureau of 0002**

Initiative: Provides one-time funding for administrative expenses related to programming changes for the sales tax and cannabis excise tax returns.

<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
All Other	\$0	\$91,510
<b>GENERAL FUND TOTAL</b>	<hr/>	<hr/>
	\$0	\$91,510

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

**SUMMARY**

This amendment replaces the bill and changes the title. The amendment makes the following changes to the cannabis sales tax and excise tax laws, effective January 1, 2027.

1. It imposes a sales tax of 14% on the value of a potentially intoxicating hemp product.
2. It defines "prerolled cannabis cigarette" and provides that a cultivation facility licensee must pay an excise tax of \$143 per pound or fraction thereof of the combined weight of the cannabis flower and cannabis trim contained in a prerolled cannabis cigarette sold to another cannabis establishment licensee in the State.

COMMITTEE AMENDMENT "A" to H.P. 1301, L.D. 1942

3. It changes the day of the month upon which an excise tax return is due for a cultivation facility from on or before the 15th day of the month to on or before the last day of the month.

**FISCAL NOTE REQUIRED**  
**(See attached)**

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# 132nd MAINE LEGISLATURE

LD 1942

LR 2082(02)

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

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-901)

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$782,810	\$752,900	\$755,500
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$91,510	\$0	\$0
<b>Revenue</b>				
General Fund	\$0	(\$691,300)	(\$752,900)	(\$755,500)
Other Special Revenue Funds	\$0	(\$59,700)	(\$77,100)	(\$77,500)

### Fiscal Detail and Notes

This bill would result in a revenue decrease to the General Fund of \$691,300 in fiscal year 2026-27, \$752,900 in fiscal year 2027-28 and \$755,500 in fiscal year 2028-29 from reducing the adult use cannabis excise tax rate on adult use pre-rolls and changing the due date for filing the excise tax. The bill would also result in a revenue decrease to the Local Government Fund and the Adult Use Cannabis Public Health and Safety Fund totaling \$59,700 in fiscal year 2026-27, \$77,100 in fiscal year 2027-28 and \$77,500 in fiscal year 2028-29. No additional revenue is assumed from the bill's higher sales tax rate on potentially intoxicating hemp products. The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$91,510 in fiscal year 2026-27 for administrative costs to implement the provisions of the bill.