



129th MAINE LEGISLATURE

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Legislative Document

No. 1076

H.P. 799

House of Representatives, March 5, 2019

**An Act To Account for Market Change in the Adult Use Marijuana
Excise Tax**

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative BERRY of Bowdoinham.
Cosponsored by Representatives: BLUME of York, COREY of Windham, HICKMAN of
Winthrop, Senators: CHENETTE of York, WOODSOME of York.

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

2 **Sec. 1. 28-B MRSA §102, sub-§4-A** is enacted to read:

3 **4-A. Average market price.** "Average market price" means the average price
4 determined by the department on a quarterly basis of marijuana flowers and mature
5 marijuana plants, marijuana trim, immature marijuana plants and seedlings and marijuana
6 seeds that are sold by cultivation facilities in the State to other licensees in the State.

7 **Sec. 2. 28-B MRSA §1001**, as enacted by PL 2017, c. 409, Pt. A, §6, is repealed.

8 **Sec. 3. 28-B MRSA §1001-A** is enacted to read:

9 **§1001-A. Excise tax imposed**

10 **1. Determination of average market price.** The department shall establish
11 quarterly the average market price for:

12 A. Marijuana flowers and mature marijuana plants;

13 B. Marijuana trim;

14 C. Immature marijuana plants and seedlings; and

15 D. Marijuana seeds.

16 **2. Excise tax.** Beginning on the first day of the calendar month in which adult use
17 marijuana may be sold in the State under this chapter, an excise tax is imposed on adult
18 use marijuana sold by a cultivation facility to a licensee in the State that is not vertically
19 integrated with the cultivation facility at the rate of 15% of the average market price for
20 the product sold.

21 **SUMMARY**

22 This bill changes the excise tax on adult use marijuana cultivation facilities from a
23 tax based on quantity to a tax based on a percentage of the average market price for the
24 category of marijuana sold. The bill requires the average market price to be determined
25 quarterly by the Department of Administrative and Financial Services. The tax would not
26 apply to sales by a cultivation facility to a licensee with which it is vertically integrated.