| 1                                | L.D. 1405  |
|----------------------------------|--|
| 2                                | Date: (Filing No. S- )   |
| 3                                | Reproduced and distributed under the direction of the Secretary of the Senate.   |
| 4                                | STATE OF MAINE   |
| 5                                | SENATE   |
| 6                                | 131ST LEGISLATURE  |
| 7                                | SECOND REGULAR SESSION   |
| 8<br>9                           | SENATE AMENDMENT "" to COMMITTEE AMENDMENT "A" to H.P. 901,<br>L.D. 1405, "An Act to Change How Adult Use Cannabis Excise Tax Is Calculated"   |
| 10                               | Amend the amendment by inserting before section 1 the following:   |
| 11                               | 'Sec. 1. 28-B MRSA §1101, sub-§2, ¶C-1 is enacted to read:   |
| 12<br>13<br>14                   | C-1. Beginning January 1, 2025 and ending December 31, 2026, unobligated balances<br>in the fund may be deposited in the General Fund to offset the difference in revenue<br>from:   |
| 15<br>16<br>17                   | (1) Changing the excise tax imposed pursuant to Title 36, section 4923, subsection<br>1 from \$335 to \$175 per pound or fraction thereof of cannabis flower sold by a<br>cultivation facility licensee to other licensees in the State; and   |
| 18<br>19<br>20                   | (2) Changing the excise tax imposed pursuant to Title 36, section 4923, subsection 2 from \$94 to \$35 per pound or fraction thereof of cannabis trim sold by a cultivation facility licensee to other licensees in the State.   |
| 21<br>22<br>23                   | The State Tax Assessor shall determine monthly the difference in revenue pursuant to subparagraphs (1) and (2) and notify the State Controller of the amount that may be transferred to the General Fund from the fund.  |
| 24                               | Sec. 2. 28-B MRSA §1101, sub-§2, ¶C-2 is enacted to read:  |
| 25<br>26<br>27                   | C-2. Beginning January 1, 2027, of the revenue deposited pursuant to subsection 1, paragraph A, up to 50% must be deposited in the General Fund to offset the difference in revenue from:  |
| 28<br>29<br>30<br>31<br>32<br>33 | <ul> <li>(1) Changing the excise tax imposed pursuant to Title 36, section 4923, subsection 1 from \$175 per pound or fraction thereof of cannabis flower sold by a cultivation facility licensee to other licensees in the State to 10% of the average wholesale price of cannabis flower sold to a products manufacturing facility or a cannabis store; and</li> <li>(2) Changing the excise tax imposed pursuant to Title 36, section 4923, subsection</li> </ul> |
| 33<br>34<br>35<br>36             | 2 from \$35 per pound or fraction thereof of cannabis trim sold by a cultivation<br>facility licensee to other licensees in the State to 10% of the average wholesale<br>price of cannabis trim sold to a products manufacturing facility or a cannabis store.   |

Page 1 - 131LR1636(07)

## SENATE AMENDMENT

| 1        | The State Tax Assessor shall determine monthly the difference in revenue pursua  | nt to |  |
|----------|--|-------|--|
| 2        | subparagraphs (1) and (2) and notify the State Controller of the amount to be  |       |  |
| 3        | transferred to the General Fund from the fund.'  |       |  |
| 4        | Amend the amendment in section 3 in subsection 1 in the 4th line (page 1, line 27 in   |       |  |
| 5        | amendment) by striking out the following: " $\$150$ " and inserting the following: ' $\$175$ '   |       |  |
| 6<br>7   | Amend the amendment in section 4 in subsection 2 in the 4th line (page 2, line 4 in amendment) by striking out the following: " $\underline{\$20}$ " and inserting the following: ' $\underline{\$35}$ ' |       |  |
| 8        | Amend the amendment by striking out all of section 5 and inserting the following:  |       |  |
| 9<br>10  | 'Sec. 5. Appropriations and allocations. The following appropriations allocations are made.  | and   |  |
| 11       | ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF   |       |  |
| 12       | Adult Use Cannabis Regulatory Coordination Fund Z264   |       |  |
| 13       | Initiative: Provides funding for one Auditor II position and associated costs.   |       |  |
| 14       | OTHER SPECIAL REVENUE FUNDS 2023-24 202  | 4-25  |  |
| 15       | POSITIONS - LEGISLATIVE COUNT 0.000 1  | .000  |  |
| 16       | Personal Services \$0 \$121  | ,563  |  |
| 17       | All Other \$0 \$8  | ,913  |  |
| 18       |  |       |  |
| 19       | OTHER SPECIAL REVENUE FUNDS TOTAL \$0 \$130  | ,476  |  |
| 20       | ,  |       |  |
| 21<br>22 | Amend the amendment by relettering or renumbering any nonconsecutive Part lett section number to read consecutively.   | er or |  |
| 23       | SUMMARY  |       |  |
| 24       | This amendment changes the amounts of the excise tax proposed in Comm  | ittee |  |
| 25       | Amendment "A" on cannabis flower from \$150 per pound to \$175 per pound and   |       |  |
| 26       | cannabis trim from \$20 per pound to \$35 per pound, beginning January 1, 2025 and   |       |  |
| 27       | January 1, 2027, at which time the tax will be 10% of the average wholesale price.   |       |  |
| 28       | offset the loss of revenue from the change to the excise tax beginning January 1, 2025   | and   |  |
| 29       | until January 1, 2027, this amendment allows unobligated balances in the Adult   |       |  |
| 30       | Cannabis Public Health and Safety and Municipal Opt-in Fund to be deposited in   |       |  |
| 31       | General Fund beginning January 1, 2025 and ending December 31, 2026. To offset the loss  |       |  |
| 32       | of revenue from the change to a 10% tax rate from the tax of \$175 per pound of can  |       |  |
| 33       | flower and \$35 per pound of cannabis trim, this amendment, beginning January 1, 2   | -     |  |
| 34       | requires up to 50% of the amount of revenue credited to the Adult Use Cannabis Pu  | JUIC  |  |

SENATE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 901, L.D. 1405

Health and Safety and Municipal Opt-in Fund from the excise tax on adult use cannabis
 and adult use cannabis products to be deposited in the General Fund. The State Tax

Page 2 - 131LR1636(07)

SENATE AMENDMENT

SENATE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 901, L.D. 1405

- Assessor is required to determine monthly the amount to be transferred and inform the State
   Controller.
- 3 SPONSORED BY: \_\_\_\_\_
- 4 (Senator HICKMAN, C.)
- 5 COUNTY: Kennebec

Page 3 - 131LR1636(07)

