



# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2023

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Legislative Document

No. 1392

S.P. 559

In Senate, March 28, 2023

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

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator PIERCE of Cumberland.  
Cosponsored by Representative PERRY of Bangor and  
Senators: DAUGHTRY of Cumberland, RENY of Lincoln, Representative: BOYER of Poland.

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

2 **Sec. 1. 36 MRSA §4921, sub-§2-A** is enacted to read:

3 **2-A. Department.** "Department" has the same meaning as in Title 28-B, section 102,  
4 subsection 14.

5 **Sec. 2. 36 MRSA §4921, sub-§2-B** is enacted to read:

6 **2-B. Extraction.** "Extraction" has the same meaning as "cannabis extraction" in Title  
7 28-B, section 102, subsection 30.

8 **Sec. 3. 36 MRSA §4921, sub-§2-C** is enacted to read:

9 **2-C. Fair market value.** "Fair market value" means the average price, as determined  
10 by the department by rulemaking on a biannual basis, based on the price that a buyer would  
11 pay to a seller in an arm's length transaction for cannabis in the wholesale market, with the  
12 determination including one or more rates that cover unprocessed cannabis that is allocated  
13 for extraction and the initial rates for these product types being lower than the rate for  
14 unprocessed cannabis that is allocated for sale to consumers.

15 **Sec. 4. 36 MRSA §4923**, as amended by PL 2021, c. 323, §§3 and 4 and c. 669, §5,  
16 is further amended by amending the section headnote to read:

17 **§4923. Excise tax imposed prior to July 1, 2024**

18 **Sec. 5. 36 MRSA §4923, first ¶**, as enacted by PL 2019, c. 231, Pt. B, §7 and  
19 amended by PL 2021, c. 669, §5, is further amended to read:

20 Beginning on the first day of the calendar month in which adult use cannabis may be  
21 sold in the State by a cultivation facility under Title 28-B, chapter 1 and prior to July 1,  
22 2024, an excise tax on adult use cannabis is imposed in accordance with this chapter.

23 **Sec. 6. 36 MRSA §4923-A**, as enacted by PL 2021, c. 323, §5 and amended by c.  
24 669, §5, is amended to read:

25 **§4923-A. Calculation of excise tax imposed on wet cannabis flower and wet cannabis**  
26 **trim**

27 For purposes of the excise tax imposed pursuant to section 4923 or section 4923-B on  
28 wet cannabis flower or wet cannabis trim, a cultivation facility licensee shall calculate the  
29 taxable weight by reducing the total weight of the wet cannabis flower or wet cannabis trim  
30 by 75% before applying the excise tax.

31 **Sec. 7. 36 MRSA §4923-B** is enacted to read:

32 **§4923-B. Excise tax imposed beginning July 1, 2024**

33 Beginning July 1, 2024, an excise tax on adult use cannabis is imposed in accordance  
34 with this chapter.

35 **1. Excise tax on cannabis flower.** A cultivation facility licensee shall pay an excise  
36 tax of 10% of the fair market value of cannabis flower sold to other licensees in the State.

37 **2. Excise tax on cannabis trim.** A cultivation facility licensee shall pay an excise tax  
38 of 10% of the fair market value of cannabis trim sold to other licensees in the State.

