



# 131st MAINE LEGISLATURE

LD 1405

LR 1636(04)

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

### Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$264,000	\$578,000	\$583,000
<b>Revenue</b>				
General Fund	\$0	(\$264,000)	(\$578,000)	(\$583,000)
Other Special Revenue Funds	\$0	\$98,000	\$438,000	\$722,000

#### Fiscal Detail and Notes

This bill concurrently decreases the excise tax on adult use cannabis and cannabis products and increases the sales tax on adult use cannabis and cannabis products, effective January 1, 2025. In fiscal year 2024-25, cannabis excise tax revenue will decrease by \$2,625,000 and cannabis sales tax revenue will increase by \$2,459,000. Together these changes will decrease revenue to the General Fund by \$264,000 and decrease revenue to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund by \$2,000 in fiscal year 2024-25. The increase in cannabis sales tax revenue will increase Local Government Fund revenue by \$100,000 in fiscal year 2024-25. The combined impact of these changes to Other Special Revenue Funds is an increase of \$98,000 in fiscal year 2024-25.

Administrative costs to the Department of Administrative and Financial Services, Bureau of Revenue Services to implement these cannabis tax changes are expected to be minor and can be absorbed within existing budgeted resources.