



# 131st MAINE LEGISLATURE

LD 1405

LR 1636(07)

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

### Fiscal Note for Senate Amendment " " to Committee Amendment "A"

Sponsor: Sen. Hickman of Kennebec

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	(\$3,920,476)	(\$1,634,365)	(\$1,332,380)
<b>Appropriations/Allocations</b>				
General Fund	\$0	(\$130,476)	(\$134,365)	(\$138,380)
Other Special Revenue Funds	\$0	\$130,476	\$134,365	\$138,380
<b>Revenue</b>				
General Fund	\$0	\$588,000	\$1,500,000	\$1,194,000
Other Special Revenue Funds	\$0	\$56,000	\$195,000	(\$123,000)
<b>Transfers</b>				
General Fund	\$0	\$3,202,000	\$0	\$0
Other Special Revenue Funds	\$0	(\$3,202,000)	\$0	\$0

### Fiscal Detail and Notes

This amendment changes the amount of the excise tax on cannabis flower from \$150 per pound in the committee amendment to \$175 per pound and the amount of the excise tax on cannabis trim from \$20 per pound in the committee amendment to \$35 per pound, beginning January 1, 2025 and until January 1, 2027. The incremental impact is to reduce the revenue loss to the General Fund from the committee amendment by \$588,000 in fiscal year 2024-25 and to reduce the revenue loss to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund (AUPH Fund) by \$56,000 in fiscal year 2024-25.

To offset the loss of revenue from the change to the excise tax beginning January 1, 2025 and until January 1, 2027, this amendment allows the transfer of unobligated balances in the the AUPH Fund to be deposited in the General Fund beginning January 1, 2025. In fiscal year 2024-25 the transfer will be \$3,202,000. Additional transfers will be required in fiscal year 2025-26 and the amount will depend on excise tax revenue generated and available balances. Additionally, beginning January 1, 2027 to offset the loss of revenue from the change to a 10% tax rate from the tax of \$175 per pound of cannabis flower and \$35 per pound of cannabis trim, this amendment, requires up to 50% of the amount of revenue credited to the AUPH Fund from the excise tax on adult cannabis and adult cannabis products to be deposited in the General Fund.