

**132nd MAINE LEGISLATURE****LD 544****LR 766(01)****An Act to Create Parity in the Taxation of Medicine by Exempting Sales of Cannabis for Medical Use****Preliminary Fiscal Impact Statement for Original Bill****Sponsor: Rep. Fredericks of Sanford****Committee: Veterans and Legal Affairs****Fiscal Note Required: Yes**

Preliminary Fiscal Impact Statement

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$9,970,320	\$25,737,000	\$26,259,000	\$26,830,000
Appropriations/Allocations				
General Fund	\$53,320	\$0	\$0	\$0
Revenue				
General Fund	(\$9,917,000)	(\$25,737,000)	(\$26,259,000)	(\$26,830,000)
Other Special Revenue Funds	(\$968,000)	(\$3,265,000)	(\$3,456,000)	(\$3,652,000)

Fiscal Detail and Notes

This bill exempts sales of medical cannabis that meet certain requirements from sales tax beginning January 1, 2026. This exemption will reduce General Fund revenue by \$9,917,000 in fiscal year 2025-26 and \$25,737,000 in fiscal year 2026-27. The exemption will also decrease revenue to the Local Government Fund of \$439,000 in fiscal year 2025-26 and \$1,448,000 in fiscal year 2026-27, as well as decrease revenue to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund by \$529,000 in fiscal year 2025-26 and by \$1,817,000 in fiscal year 2026-27.

The Bureau of Revenue Services within the Department of Administrative and Financial Services will require a one-time General Fund appropriation of \$53,320 in fiscal year 2025-26 to fund computer programming costs associated with the provisions of this bill.