



131st MAINE LEGISLATURE

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Legislative Document

No. 1405

H.P. 901

House of Representatives, March 30, 2023

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

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative BOYER of Poland.
Cosponsored by Representatives: ANDREWS of Paris, PERRY of Bangor, RUDNICKI of
Fairfield, SUPICA of Bangor, Senators: BRAKEY of Androscoggin, PIERCE of Cumberland.

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

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

3 **1-A. Average market rate.** "Average market rate" means the median market price
4 per pound of cannabis flower that is sold or transferred from cultivation facility licensees
5 to other licensees in the State, as determined by the department by rulemaking on an annual
6 basis.

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

8 **2-A. Department.** "Department" has the same meaning as in Title 28-B, section 102,
9 subsection 14.

10 **Sec. 3. 36 MRSA §4923, sub-§1**, as amended by PL 2021, c. 323, §3 and c. 669,
11 §5, is further amended to read:

12 **1. Excise tax on cannabis flower.** A Prior to January 1, 2024, a cultivation facility
13 licensee shall pay an excise tax of \$335 per pound or fraction thereof of cannabis flower
14 sold to other licensees in the State. Beginning January 1, 2024, a cultivation facility licensee
15 shall pay an excise tax of 10% of the average market rate for cannabis flower sold to other
16 licensees in the State.

17 **Sec. 4. 36 MRSA §4923, sub-§2**, as enacted by PL 2019, c. 231, Pt. B, §7 and
18 amended by PL 2021, c. 669, §5, is amended to read:

19 **2. Excise tax on cannabis trim.** A Prior to January 1, 2024, a cultivation facility
20 licensee shall pay an excise tax of \$94 per pound or fraction thereof of cannabis trim sold
21 to other licensees in the State. Beginning January 1, 2024, a cultivation facility licensee
22 shall pay an excise tax of \$25 per pound or fraction thereof of cannabis trim sold to other
23 licensees in the State.

24 SUMMARY

25 Beginning January 1, 2024, this bill changes the basis for the calculation of the excise
26 tax on cannabis flower from the weight of product sold to the average market rate of
27 cannabis flower sold. The average market rate would be determined annually by the
28 Department of Administrative and Financial Services. The bill also decreases the excise
29 tax on cannabis trim from \$94 per pound to \$25 per pound.