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Legislative Document

No. 806

S.P. 251

In Senate, March 2, 2017

**An Act To Provide Tax Fairness and To Lower Medical Expenses
for Patients under the Maine Medical Use of Marijuana Act**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator LIBBY of Androscoggin.
Cosponsored by Representative BICKFORD of Auburn and
Senator: CHENETTE of York.

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

2 **Sec. 1. 36 MRSA §1754-B, sub-§1, ¶I**, as amended by PL 2009, c. 373, §6, is
3 further amended to read:

4 I. Every person not otherwise required to be registered that sells tangible personal
5 property to the State and is required to register as a condition of doing business with
6 the State pursuant to Title 5, section 1825-B; ~~and~~

7 **Sec. 2. 36 MRSA §1754-B, sub-§1, ¶J**, as enacted by PL 2009, c. 373, §7, is
8 amended to read:

9 J. Every person that holds a wine direct shipper license under Title 28-A, section
10 1403-A; and

11 **Sec. 3. 36 MRSA §1754-B, sub-§1, ¶K** is enacted to read:

12 K. Every registered primary caregiver as defined in Title 22, section 2422,
13 subsection 11.

14 **Sec. 4. 36 MRSA §5122, sub-§2, ¶¶PP and QQ** are enacted to read:

15 PP. For taxable years beginning on or after January 1, 2017, an amount equal to the
16 deduction disallowed under the Code, Section 280E related to carrying on a trade or
17 business as a registered dispensary as defined in Title 22, section 2422, subsection 6.

18 QQ. For taxable years beginning on or after January 1, 2017, an amount equal to the
19 amount paid for medical marijuana purchased in accordance with the Maine Medical
20 Use of Marijuana Act by a qualifying patient, as defined in Title 22, section 2422,
21 subsection 9, except that the amount that may be subtracted under this paragraph is
22 limited to the amount that exceeds the applicable threshold under the Code, Sections
23 213(a) when added to the allowable medical expense deduction under the Code,
24 Section 213.

25 **Sec. 5. 36 MRSA §5200-A, sub-§2, ¶BB** is enacted to read:

26 BB. For taxable years beginning on or after January 1, 2017, an amount equal to the
27 deduction disallowed under the Code, Section 280E related to carrying on a trade or
28 business as a registered dispensary as defined in Title 22, section 2422, subsection 6.

29 **SUMMARY**

30 This bill allows a taxpayer, either an individual or corporation, that operates a
31 registered dispensary of medical marijuana pursuant to the Maine Medical Use of
32 Marijuana Act to deduct from income the costs of operating that registered dispensary.
33 The bill also allows a qualified patient to deduct from income the costs of medical
34 marijuana purchased by that qualifying patient. The bill also provides a statutory
35 requirement that registered primary caregivers under the Maine Medical Use of
36 Marijuana Act register to collect sales tax.