



131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1384

S.P. 549

In Senate, March 28, 2023

**An Act to Promote Fairness in the Taxation of Adult Use Cannabis
by Basing the Excise Tax on the Tier of a Cultivation Facility**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator CHIPMAN of Cumberland.
Cosponsored by Representative PERRY of Bangor and
Senators: PIERCE of Cumberland, POULIOT of Kennebec, Representative: RANA of Bangor.

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

2 **Sec. 1. 36 MRSA §4923**, as amended by PL 2021, c. 323, §§3 and 4 and c. 669, §5,
3 is further amended by amending the section headnote to read:

4 **§4923. Excise tax imposed prior to July 1, 2024**

5 **Sec. 2. 36 MRSA §4923, first ¶**, as enacted by PL 2019, c. 231, Pt. B, §7 and
6 amended by PL 2021, c. 669, §5, is further amended to read:

7 Beginning on the first day of the calendar month in which adult use cannabis may be
8 sold in the State by a cultivation facility under Title 28-B, chapter 1 and prior to July 1,
9 2024, an excise tax on adult use cannabis is imposed in accordance with this chapter.

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

12 **§4923-A. Calculation of excise tax imposed on wet cannabis flower and wet cannabis**
13 **trim**

14 For purposes of the excise tax imposed pursuant to section 4923 or section 4923-B on
15 wet cannabis flower or wet cannabis trim, a cultivation facility licensee shall calculate the
16 taxable weight by reducing the total weight of the wet cannabis flower or wet cannabis trim
17 by 75% before applying the excise tax.

18 **Sec. 4. 36 MRSA §4923-B** is enacted to read:

19 **§4923-B. Excise tax imposed beginning July 1, 2024**

20 Beginning July 1, 2024, an excise tax on adult use cannabis is imposed in accordance
21 with this chapter.

22 **1. Excise tax on cannabis flower.** This subsection governs excise tax imposed on
23 cannabis flower.

24 A. A tier 1 cultivation facility licensee as described in Title 28-B, section 301 is exempt
25 from excise taxes on cannabis flower sold to other licensees in the State.

26 B. A tier 2 cultivation facility licensee as described in Title 28-B, section 301 shall pay
27 an excise tax of \$50 per pound or fraction thereof of cannabis flower sold to other
28 licensees in the State.

29 C. A tier 3 cultivation facility licensee as described in Title 28-B, section 301 shall pay
30 an excise tax of \$100 per pound or fraction thereof of cannabis flower sold to other
31 licensees in the State.

32 D. A tier 4 cultivation facility licensee as described in Title 28-B, section 301 shall pay
33 an excise tax of \$200 per pound or fraction thereof of cannabis flower sold to other
34 licensees in the State.

35 **2. Excise tax on cannabis trim.** This subsection governs excise tax imposed on
36 cannabis trim.

37 A. A tier 1 cultivation facility licensee as described in Title 28-B, section 301 is exempt
38 from excise taxes on cannabis trim sold to other licensees in the State.

1 B. A tier 2 cultivation facility licensee as described in Title 28-B, section 301 shall pay
2 an excise tax of \$10 per pound or fraction thereof of cannabis trim sold to other
3 licensees in the State.

4 C. A tier 3 cultivation facility licensee as described in Title 28-B, section 301 shall pay
5 an excise tax of \$30 per pound or fraction thereof of cannabis trim sold to other
6 licensees in the State.

7 D. A tier 4 cultivation facility licensee as described in Title 28-B, section 301 shall pay
8 an excise tax of \$50 per pound or fraction thereof of cannabis trim sold to other
9 licensees in the State.

10 **3. Excise tax on immature cannabis plants and seedlings.** A cultivation facility
11 licensee shall pay an excise tax of \$1.50 per immature cannabis plant or seedling sold to
12 other licensees in the State.

13 **4. Excise tax on mature cannabis plants.** A cultivation facility licensee shall pay an
14 excise tax of \$35 per mature cannabis plant sold to other licensees in the State.

15 **5. Excise tax on cannabis seeds.** A cultivation facility licensee shall pay an excise tax
16 of 30¢ per cannabis seed sold to other licensees in the State.

17 **6. Excise tax on purchases from registered caregivers and registered dispensaries.**
18 A cultivation facility licensee authorized pursuant to Title 28-B, section 501, subsection 6,
19 paragraph A to purchase cannabis plants and cannabis seeds from registered caregivers and
20 registered dispensaries that transacts such a purchase shall pay to the assessor the excise
21 taxes that would have been imposed under subsections 1 to 5 on the sale of the cannabis
22 plants and cannabis seeds if the cannabis plants and cannabis seeds had been sold by a
23 cultivation facility licensee to another licensee.

24 **7. Multiple licenses.** When a cultivation facility licensee also holds a license to operate
25 another cannabis establishment, the taxes imposed by subsections 1 to 5 apply to any
26 transfer of cannabis from the cultivation facility to the other cannabis establishment or, if
27 no such transfer is made, to any activity undertaken pursuant to Title 28-B, section 501,
28 subsection 2 or 4 with regard to cannabis cultivated by the cultivation facility.

29 **SUMMARY**

30 Beginning July 1, 2024, this bill changes the basis for the calculation of the excise tax
31 on cannabis flower and cannabis trim by establishing rates based on the tier of a cultivation
32 facility licensee.