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March 31, 2025

Senator Hickman, Chair
Representative Supica, Chair
Members, Joint Standing Committee on Veterans and Legal Affairs
100 State House Station
Augusta, ME 04333-0100

Re: LD 544 – *“An Act to Create Parity in the Taxation of Medicine by Exempting Sales of Cannabis for Medical Use”*

Senator Hickman, Representative Supica and members of the Joint Standing Committee on Veterans and Legal Affairs, thank you for the opportunity to provide information neither for nor against LD 544, *“An Act to Create Parity in the Taxation of Medicine by Exempting Sales of Cannabis for Medical Use.”*

This bill, if enacted, would provide a sales tax exemption on medical use cannabis for qualifying patients as a way to create parity with prescriptions written by a medical provider.

Maine Center for Disease Control and Prevention takes no position for nor against LD 544 and offers the following information for the committee’s consideration.

To qualify for conduct authorized under 22 MRS Chapter 558-C, Maine Medical Use of Cannabis Program (MMCP), patients must have a written certification issued by a medical provider. The written certification is a recommendation from a medical provider that states the individual would benefit therapeutically or palliatively from cannabis. Currently, MMCP has no qualifying conditions list for patient eligibility, certifications are issued after consultation with a medical provider and a review of medical history, and a certification is valid for up to one year. In 2024, roughly 110,484 written certifications were printed (including any re-prints) for MMCP patients.

Written certifications that authorize a patient’s medical use of cannabis do not share the level of detail or rigor involved in writing/dispensing prescriptions; prescriptions are written for a specific medication, dosage, frequency of use, and refill guidelines. In Maine, medical professionals register with OCP prior to issuing written certifications; there are no requirements for cannabis education for instructing patients on use. MMCP labeling laws restrict claims about product use and effectiveness. When labels for medical use cannabis products include information about contaminants, the cannabinoid profile or potency of the harvested cannabis, this must be verified by a cannabis testing facility. Required testing for labeled products do not include mandatory tests in law for specific harmful contaminants. This creates a significant gap in the relative safety of medical use cannabis as compared to regulated prescription medications.

Sales tax generally does not apply to prescription medications. Most states' sales taxes do apply to cannabis sales; cannabis is illegal at the federal level and not prescribed and therefore sales are taxable. According to Maine's Office of Cannabis Policy (OCP) 2024 MMCP annual report, an estimated \$15,056,795 in sales tax revenue was deposited into the General Fund (GF) in FY 2024, a decrease from \$15,766,951 in FY 2023. Information regarding sales tax revenue is obtained from Maine Revenue Services (MRS) and it reflects the general sales tax rate of 5.5% applied to sales of harvested cannabis except edible cannabis products that are taxed at the 8% sales tax rate for prepared foods. Tax revenue adds to the State's GF as a primary source of funding for State agency operations and programs.

There is limited evidence of effectiveness of using cannabis medicinally. Cannabis remains illegal at the federal level, impacting the progress of critical reviews of the evidence of any clinical trials as an important process for verifying the relative safety and efficacy of products for therapeutic purposes. The lack of specific conditions to qualify a patient under Maine's Medical Use Cannabis Program; the lack of mandatory tests; the absence of reliable instructions regarding dosing, strain, and method of use, and a limited body of evidence surrounding efficacy of medical cannabis for therapeutic benefit collectively contribute to public health challenges.

In conclusion, from the perspective of Maine's Public Health, Maine CDC does not agree there is a comparison to be made between prescriptions and written certifications; justification for exempting these sales in Maine on this basis is lacking; however defers to the others on the matter of taxation. In considering LD 544, the factors are: the safety of regulated medications and prescribing standards which differ from written certifications issued by medical providers through MMCP and revenue collected in the General Fund that can be used to improve patient safety and public health statewide.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,



Puthiery Va
Director
Maine Center for Disease Control
Maine Department of Health and Human Services