



**Date:** May 21, 2025

**To:** Senator Grohoski, Representative Cloutier, and Members of the Taxation Committee,

**Subject: OPPOSE LD 1942 – An Act to Modify Taxes Applying to Adult Use Cannabis, Hemp and Hemp Products**

Dear Senator Grohoski, Representative Cloutier, and Esteemed Committee Members,

We, the undersigned leaders of Maine's business sectors, write to express our strong opposition for LD 1942, "An Act to Modify Taxes Applying to Adult Use Cannabis, Hemp and Hemp Products." We specifically oppose imposing a 20% sales tax on hemp-derived THC products at retail or when sold to on-premise consumption establishments.

Consistent tax policy is essential for the fair and effective regulation of intoxicating hemp beverages in Maine. Aligning their taxation structure with existing categories—such as malt liquor, spirits, wine (including cider), and low-alcohol spirits—by implementing a specific tax per gallon would create clarity and parity across beverage types.

However, any decisions around tax policy should be deferred until broader issues—particularly regulatory oversight and adequate enforcement funding—are addressed. It is imperative that we avoid placing undue burdens on Maine's hemp industry, especially as it evolves alongside the state's cannabis sector.

We appreciate the Committee's thoughtful consideration as policies are crafted to support the sustainable growth of the developing hemp industry. Thank you for your attention to this important matter.

Sincerely,

**Cheryl Timberlake** | Executive Director, Maine Beverage Distributors Association

**Sarah Bryan** | Executive Director, Maine Brewers' Guild

**Curtis Picard** | President & CEO, Retail Association of Maine

**Nate Cloutier** | Director of Government Affairs, Hospitality Maine

**Christine Cummings** | Executive Director, Maine Grocers & Food Producers Association