



Rachel Talbot Ross  
Senator, District 28

**THE MAINE SENATE**  
132nd Legislature

3 State House Station  
Augusta, Maine 04333

*Testimony of Senator Rachel Talbot Ross introducing*  
**LD 1960, “An Act to Exempt Electronic Smoking Devices or Other Tobacco  
Products Containing Ingestible Hemp from the Tax Imposed on Tobacco  
Products”**

*Before the Joint Standing Committee on Taxation  
May 16, 2025*

Senator Grohoski, Representative Cloutier, and Honorable Members of the Joint Standing Committee on Taxation, my name is Rachel Talbot Ross. I represent Senate District 28, which includes part of my hometown of Portland and Peaks Island. Thank you for the opportunity to present LD 1960, “An Act to Exempt Electronic Smoking Devices or Other Tobacco Products Containing Ingestible Hemp from the Tax Imposed on Tobacco Products.”

This bill addresses an oversight in the current tax code. When the legislature enacted the original adult-use cannabis laws, hemp was primarily viewed as a source of non-intoxicating products like CBD oils, dietary supplements, and textiles. The focus was on differentiating intoxicating cannabis products from their non-intoxicating hemp counterparts, which led to the explicit tax exemption for cannabis products but did not clearly extend that same logic to ingestible hemp products.

However, the market has evolved significantly in recent years. Now, there are intoxicating products that use hemp-derived cannabinoids, like delta-9 THC, which can have effects similar to those of traditional cannabis. When these products are sold in forms similar to traditional cannabis products — like pre-filled vape cartridges or ready-to-drink beverages — they can be taxed like tobacco under the current law, even though they do not contain any actual tobacco.

This mismatch in tax treatment has already created real challenges for small businesses in Maine. For example, a business owner in Hallowell recently reached out to the Senate Majority Office after receiving a substantial tax assessment on products that contain hemp-derived cannabinoids but no actual tobacco. The assessment covered items like pre-filled vape cartridges that are similar to the types of products sold in cannabis stores, but which were unintentionally caught in the tobacco tax due to the evolving nature of the hemp market. This kind of oversight places an unnecessary burden on small businesses that are simply trying to operate within the framework of a rapidly changing industry.

LD 1960 aims to fix this by ensuring that ingestible consumer products containing hemp or cannabidiol (CBD) derived from hemp are not unintentionally captured by the 43% excise tax on tobacco products. This bill is a straightforward, targeted correction to align the tax code with the original legislative intent.

It’s important to note that this bill will not address all issues related to hemp and cannabinoid taxation. For example, the bill will not change how paraphernalia or empty devices are taxed. If a business sells empty vape cartridges, batteries, or other accessories that are not pre-filled with hemp or CBD, those



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items will still be subject to the current tax structure. That may be a conversation for a future session, but we believe this change is a necessary and sensible first step for now.

I welcome the opportunity to work with this committee, Maine Revenue Services, and Maine's small business community to ensure our tax code is transparent, fair, and reflective of the state's evolving hemp industry.

Thank you for your consideration, and I would be happy to take any questions.