

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

—
H.P. 639 - L.D. 871

An Act To Clarify Certain Provisions Regarding the Marijuana Excise Tax

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Department of Administrative and Financial Services began in September 2020 to issue licenses to authorize the cultivation, manufacturing, testing and sale of adult use marijuana and adult use marijuana products; and

Whereas, licenses issued to cultivation facilities may authorize the transfer of, and payment of excise taxes on, the items included in this legislation; and

Whereas, the department has issued rules to clarify currently ambiguous portions of the excise tax laws clarified in this legislation; and

Whereas, predictability and simplicity in the enforcement of tax laws is critical to ensuring compliance with tax laws; and

Whereas, the changes to the adult use marijuana and tax laws proposed in this legislation are critical to sustainability and growth of a critical source of revenue in the midst of an ongoing economic crisis; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §4921, sub-§13 is enacted to read:

13. Wet marijuana flower. "Wet marijuana flower" means marijuana flower that is not dried, cured or otherwise prepared in any manner to reduce or eliminate any water weight.

Sec. 2. 36 MRSA §4921, sub-§14 is enacted to read:

14. Wet marijuana trim. "Wet marijuana trim" means marijuana trim that is not dried, cured or otherwise prepared in any manner to reduce or eliminate any water weight.

Sec. 3. 36 MRSA §4923, sub-§1, as enacted by PL 2019, c. 231, Pt. B, §7, is amended to read:

1. Excise tax on marijuana flower and ~~mature marijuana plants~~. A cultivation facility licensee shall pay an excise tax of \$335 per pound or fraction thereof of marijuana flower ~~or mature marijuana plants~~ sold to other licensees in the State.

Sec. 4. 36 MRSA §4923, sub-§3-A is enacted to read:

3-A. Excise tax on mature marijuana plants. Beginning July 1, 2021, a cultivation facility licensee shall pay an excise tax of \$35 per mature marijuana plant sold to other licensees in the State.

Sec. 5. 36 MRSA §4923-A is enacted to read:

§4923-A. Calculation of excise tax imposed on wet marijuana flower and wet marijuana trim

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

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.