



131st MAINE LEGISLATURE

LD 1384

LR 928(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$2,863,120	\$426,000	\$355,000	\$310,000
Appropriations/Allocations				
General Fund	\$33,120	\$0	\$0	\$0
Revenue				
General Fund	(\$2,830,000)	(\$426,000)	(\$355,000)	(\$310,000)
Other Special Revenue Funds	(\$176,000)	(\$31,000)	(\$25,000)	(\$22,000)

Fiscal Detail and Notes

This bill changes the schedule for filing and payment of adult use cannabis excise taxes by cultivation facilities from monthly to quarterly and eliminates the excise tax on the sale and transfer of adult use cannabis between cultivation facilities. It will decrease General Fund revenue by \$2,830,000 in fiscal year 2023-24 and \$426,000 in fiscal year 2024-25, which will result in decreased revenue to the Adult Use Cannabis Public Health and Safety Opt-in Fund of \$176,000 in fiscal year 2023-24 and \$31,000 in fiscal year 2024-25. The larger revenue impact in the first year is the result of the change in the payment schedule, which shifts two months of revenue from fiscal year 2023-24 into fiscal year 2024-25. In subsequent fiscal years, there is a similar shift of revenue out of each fiscal year, but an offsetting shift of revenue in from the prior year.

The bill includes a one-time General Fund appropriation of \$33,120 to the Department of Administrative and Financial Services, Bureau of Revenue Services for computer programming costs to implement the change in filing frequency for the cannabis excise tax.