



Taxation of Adult Use Marijuana

The Act authorizes a 20% effective tax rate through the collection of a sales tax on the retail sales of marijuana and marijuana products and an excise tax on wholesale products sold by cultivation facilities.

→ Excise Tax

Excise tax is paid monthly by cultivation licensees on all marijuana sold by that facility to other adult use licensees. Excise taxes are \$335 per pound of marijuana flower, \$35 per mature marijuana plant, \$94 per pound of marijuana trim, \$1.50 per immature plant, and \$.30 per marijuana seed. 36 M.R.S. § 4923. Excise taxes also apply to sales by nursery cultivation facilities to other licensees 28-B M.R.S. § 501(3) as well as sales of medical marijuana to cultivation facilities authorized in the two-year sunset provision in 28-B M.R.S. § 501(6) (see discussion in the **Medical Marijuana** section).

→ Sales Tax

The Act imposes a 10% sales tax rate on the value of all marijuana and marijuana products sold by establishments licensed for retail sales, including retail sales by nursery cultivation facilities. 36 M.R.S. § 1811.

12% of the excise tax revenues and 12% of the sales tax revenues collected are transferred to the Adult Use Marijuana Public Health and Safety Fund, to facilitate public health and safety awareness education programs and training for local, county and state law enforcement. The remainder of the excise and sales tax revenues are deposited into the General Fund. 28-B M.R.S. § 1003.

Otherwise, there is no revenue sharing with those municipalities that have opened their jurisdictions to adult use marijuana establishments. Local option taxation of adult use marijuana establishments is not authorized. (**Note:** personal property taxes and real property taxes still apply to all adult use marijuana establishments).