

**HOUSE BILL NO. 94**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE TOMASZEWSKI

Introduced: 2/12/25

Referred: Labor and Commerce, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to the registration of marijuana establishments; relating to a tax**  
2   **exemption for qualified small businesses; relating to marijuana taxes; and providing for**  
3   **an effective date."**

4   **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5    \* **Section 1.** AS 17.38.200(d) is amended to read:

6           (d) Within 45 to 90 days after receiving an application or renewal application,  
7           the board shall issue a biennial [AN ANNUAL] registration to the applicant unless  
8           the board finds the applicant is not in compliance with regulations enacted under  
9           [PURSUANT TO] AS 17.38.190 or the board is notified by the relevant local  
10          government that the applicant is not in compliance with ordinances and regulations  
11          made under [PURSUANT TO] AS 17.38.210 and in effect at the time of application.

12   \* **Sec. 2.** AS 17.38.210(e) is amended to read:

13           (e) A local government may establish a schedule of biennial [ANNUAL]  
14          operating, registration, and application fees for marijuana establishments, provided

1 that the local government may charge the

2 (1) application fee only if an application is submitted to the local  
3 government in accordance with (f) of this section; and

4 (2) registration fee only if a registration is issued by the local  
5 government in accordance with (f) of this section.

6 \* **Sec. 3.** AS 17.38.210(f) is amended to read:

7 (f) If the board does not issue a registration to an applicant within 90 days  
8 after receiving [OF RECEIPT OF] the application filed in accordance with  
9 AS 17.38.200 and does not notify the applicant of the specific, permissible reason for  
10 its denial, in writing and within that [SUCH] time period, or if the board has adopted  
11 regulations under [PURSUANT TO] AS 17.38.190 and has accepted applications  
12 under [PURSUANT TO] AS 17.38.200 but has not issued any registrations by 15  
13 months after February 24, 2015, the applicant may resubmit its application directly to  
14 the local regulatory authority, in accordance with [PURSUANT TO] (c) of this  
15 section, and the local regulatory authority may issue a biennial [AN ANNUAL]  
16 registration to the applicant. If an application is submitted to a local regulatory  
17 authority under this subsection, the board shall forward to the local regulatory  
18 authority the application fee paid by the applicant to the board upon request by the  
19 local regulatory authority.

20 \* **Sec. 4.** AS 17.38.210(h) is amended to read:

21 (h) A local regulatory authority issuing a registration to an applicant shall do  
22 so within 90 days after receiving [OF RECEIPT OF] the submitted or resubmitted  
23 application unless the local regulatory authority finds and notifies the applicant that  
24 the applicant is not in compliance with ordinances and regulations made under  
25 [PURSUANT TO] (b) of this section in effect at the time the application is submitted  
26 to the local regulatory authority. The local government shall notify the board if a  
27 biennial [AN ANNUAL] registration has been issued to the applicant.

28 \* **Sec. 5.** AS 17.38.210(j) is amended to read:

29 (j) A subsequent or renewed registration may be issued under (f) of this  
30 section on a biennial [AN ANNUAL] basis only upon resubmission to the local  
31 government of a new application submitted to the board under [PURSUANT TO]

1 AS 17.38.200.

2 \* **Sec. 6.** AS 17.38.320 is amended to read:

3 **Sec. 17.38.320. Effect on registrations of prohibition of marijuana**  
 4 **establishments.** If a majority of voters vote to prohibit the operation of marijuana  
 5 establishments under AS 17.38.300, the board may not issue, renew, or transfer,  
 6 between persons or locations, a registration for a marijuana establishment located  
 7 within the perimeter of the established village. A registration that may not be renewed  
 8 because of a local option election held under AS 17.38.300 is void 90 days after the  
 9 results of the election are certified. A registration that expires during the 90 days after  
 10 the results of a local option election are certified may be extended, until it is void  
 11 under this section, by payment of a prorated portion of the **biennial** [ANNUAL]  
 12 registration fee.

13 \* **Sec. 7.** AS 43.20.012(a) is amended to read:

14 (a) The tax imposed by this chapter does not apply to

15 (1) an individual;

16 (2) a fiduciary;

17 (3) the income received by a regional association qualified under  
 18 AS 16.10.380 or nonprofit corporation holding a hatchery permit under AS 16.10.400  
 19 from the sale of salmon or salmon eggs under AS 16.10.450 or from a cost recovery  
 20 fishery under AS 16.10.455; [OR]

21 (4) the income received by a nonprofit corporation holding a permit  
 22 under AS 16.12.010 from the sale of shellfish under AS 16.12.080 or from a cost  
 23 recovery fishery under AS 16.12.090; **or**

24 **(5) an Alaska corporation that is a qualified small business and**  
 25 **that meets the active business requirements in 26 U.S.C. 1202(e), as that**  
 26 **subsection read on January 1, 2012.**

27 \* **Sec. 8.** AS 43.20.012 is amended by adding new subsections to read:

28 (e) For the purposes of (a)(5) of this section,

29 (1) whether a corporation qualifies under (a)(5) of this section shall be  
 30 determined on the first day of the tax year for which the corporation claims it qualifies  
 31 under (a)(5) of this section;

(2) all corporations that are members of the same parent-subsidary controlled group shall be treated as one corporation.

(f) In this section,

(1) "Alaska corporation" means a corporation that has been incorporated in the state or is authorized to do business in the state;

(2) "parent-subsidary controlled group" has the meaning given in 26 U.S.C. 1202, as that section read on January 1, 2012;

(3) "qualified small business" has the meaning given in 26 U.S.C. 1202, as that section read on January 1, 2012, and does not include a construction, transportation, utility, or fisheries business.

\* **Sec. 9.** AS 43.61.010(a) is amended to read:

(a) An excise tax is imposed on the sale or transfer of marijuana from a marijuana cultivation facility to a retail marijuana store or marijuana product manufacturing facility. Every marijuana cultivation facility shall pay an excise tax at the rate of \$12 an [\$50 PER] ounce, or proportionate part thereof, on marijuana that is sold or transferred from a marijuana cultivation facility to a retail marijuana store or marijuana product manufacturing facility.

\* **Sec. 10.** AS 43.61.010(b) is amended to read:

(b) The department may exempt certain parts of the marijuana plant from the excise tax described in (a) of this section [OR MAY ESTABLISH A RATE LOWER THAN \$50 PER OUNCE FOR CERTAIN PARTS OF THE MARIJUANA PLANT].

\* **Sec. 11.** AS 43.61.010 is amended by adding a new subsection to read:

(g) The tax imposed under (a) of this section is imposed on the sale or transfer of marijuana by a person who, without a current valid registration, cultivates marijuana in an amount that exceeds the amount allowed under AS 17.38.020 for personal use. A person who cultivates marijuana without a current valid registration is liable for the tax imposed under this subsection at the time the sale or transfer is made.

\* **Sec. 12.** AS 43.61.020(b) is amended to read:

(b) The marijuana cultivation facility shall pay monthly to the department, all taxes, computed at the rate [RATES] prescribed in this chapter, on the respective total quantities of the marijuana sold or transferred during the preceding month. The

1 monthly return shall be filed and the tax paid on or before the last day of each month  
2 to cover the preceding month.

3 \* **Sec. 13.** AS 43.61.030(a) is amended to read:

4 (a) **A person who is delinquent in the payment of a tax** [DELINQUENT  
5 PAYMENTS] under this chapter **is** [SHALL] subject [THE MARIJUANA  
6 CULTIVATION FACILITY] to civil penalties under AS 43.05.220.

7 \* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9 APPLICABILITY. (a) AS 43.20.012(a), as amended by sec. 7 of this Act, and  
10 AS 43.20.012(e) and (f), enacted by sec. 8 of this Act, apply to the tax year of a corporation  
11 beginning on or after the effective date of this Act.

12 (b) AS 43.61.010(g), enacted by sec. 11 of this Act, and AS 43.61.030(a), as amended  
13 by sec. 13 of this Act, apply to taxes accrued on or after the effective date of this Act.

14 \* **Sec. 15.** This Act takes effect July 1, 2025.