



CSHB 119: Marijuana Tax

Sectional Analysis

Version B

Section 1

This section amends AS 43.61.010(a) to reduce marijuana excise tax that is levied on the cultivator from \$50 per ounce to \$12.50 per ounce. This section is repealed January 1, 2025, as per Section 7 of Version B.

Section 2

This section amends AS 43.61.010(f). Under current statute, 25% of marijuana tax revenues are directed to the Marijuana Education and Treatment (MET) Fund within the general fund. This section clarifies the legislature may appropriate at least 50% of those funds to the Dept. of Health for youth substance misuse prevention programming. Money in this fund does not lapse.

Section 3

This section amends AS 43.61.010 by adding a new subsection that imposes a sales tax on marijuana of 10% levied on the retailer. This takes effect January 1, 2025

Section 4

This section amends AS 43.61.020 and is conforming language that shifts the tax monthly statements and payments from the Cultivators to the Retailers. This takes effect January 1, 2025.

Section 5

This section amends AS 43.61.030 and is conforming language that shifts the tax administration and enforcement provisions from relating to the Cultivators to relating to the Retailers. This takes effect January 1, 2025.

Section 6

This section repeals AS 43.61.010(b). Under current statute the Department of Commerce, Community, and Economic Development is authorized to exempt certain parts of the marijuana plant from excise tax and set lower rates. Repealing this makes all parts of the plant taxable at the same rate.

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Section 7

Repeals AS 43.61.010(a) January 1, 2025. This removes the excise tax on the same date the sales tax is imposed.

Section 8-10

Applicability and effective dates.