

33-LS0636\B
Radford
4/18/23

CS FOR HOUSE BILL NO. 119(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to marijuana taxes; and providing for an effective date."**

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

3 * **Section 1.** AS 43.61.010(a) is amended to read:

4 (a) An excise tax is imposed on the sale or transfer of marijuana from a
5 marijuana cultivation facility to a retail marijuana store or marijuana product
6 manufacturing facility. Every marijuana cultivation facility shall pay an excise tax at
7 the rate of **\$12.50 an** [\$50 PER] ounce, or proportionate part thereof, on marijuana
8 that is sold or transferred from a marijuana cultivation facility to a retail marijuana
9 store or marijuana product manufacturing facility.

10 * **Sec. 2.** AS 43.61.010(f) is amended to read:

11 (f) The marijuana education and treatment fund is established in the general
12 fund. In addition to the accounting under (c) of this section, the Department of
13 Administration shall separately account for 25 percent of the tax collected under this
14 section and deposit it into the marijuana education and treatment fund. The
15 Department of Administration shall deposit interest earned on the fund into the general

fund. Money in the fund does not lapse. The legislature may use the annual estimated balance in the fund to make appropriations to the Department of Health for the comprehensive marijuana use education and treatment program established under AS 44.29.020(a)(14) and may use at least 50 percent of the annual estimated balance in the fund to make appropriations to the youth services grant program within the community-based marijuana misuse prevention component of that program.

* **Sec. 3.** AS 43.61.010 is amended by adding a new subsection to read:

(g) A sales tax is imposed on the sale of marijuana and marijuana products from a retail marijuana store to a consumer. Every consumer shall pay a 10 percent sales tax at a retail marijuana store for all marijuana and marijuana products intended for human consumption.

* **Sec. 4.** AS 43.61.020 is amended to read:

Sec. 43.61.020. Monthly statement and payments. (a) Each retail marijuana store [CULTIVATION FACILITY] shall send a statement by mail or electronically to the department on or before the last day of each calendar month. The statement must contain an account of the amount of marijuana sold to consumers [OR TRANSFERRED TO RETAIL MARIJUANA STORES AND MARIJUANA PRODUCT MANUFACTURING FACILITIES IN THE STATE] during the preceding month, setting out

[(1)] the total number of ounces, including fractional ounces, sold and the total value of the marijuana sold [OR TRANSFERRED;

(2) THE NAMES AND ALASKA ADDRESS OF EACH BUYER AND TRANSFEREE; AND

(3) THE WEIGHT OF MARIJUANA SOLD OR TRANSFERRED TO THE RESPECTIVE BUYERS OR TRANSFEREES].

(b) The retail marijuana store [CULTIVATION FACILITY] shall pay monthly to the department [,] all taxes, computed at the rates prescribed in this chapter, on the respective total quantities of the marijuana sold [OR TRANSFERRED] during the preceding month. The monthly return shall be filed and the tax paid on or before the last day of each month to cover the preceding month.

1 * **Sec. 5.** AS 43.61.030 is amended to read:

2 **Sec. 43.61.030. Administration and enforcement of tax.** (a) Delinquent
3 payments under this chapter shall subject the retail marijuana store [CULTIVATION
4 FACILITY] to civil penalties under AS 43.05.220.

5 (b) If a retail marijuana store [CULTIVATION FACILITY] fails to pay the
6 tax to the state, the retail marijuana store's [CULTIVATION FACILITY'S]
7 registration may be revoked in accordance with procedures established under
8 AS 17.38.190(a)(1).

9 * **Sec. 6.** AS 43.61.010(b) is repealed.

10 * **Sec. 7.** AS 43.61.010(a) is repealed January 1, 2025.

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

13 APPLICABILITY. AS 43.61.010(a), as amended by sec. 1 of this Act, applies to taxes
14 accrued on or after the effective date of sec. 1 of this Act.

15 * **Sec. 9.** Sections 3 - 5 of this Act take effect January 1, 2025.

16 * **Sec. 10.** Except as provided in sec. 9 of this Act, this Act takes effect July 1, 2023.