

HB 91

Marijuana Tax Reform

Representative Ashley Carrick

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Recent History of Marijuana Policy in Alaska

- In 2014 Alaska voters legalized recreational marijuana.
- In 2022 Governor Mike Dunleavy established the Advisory Taskforce on Recreational Marijuana and its final report was published in January 2023.
- In 2024 the House passed HB 119 which included many of the taskforce's recommendations, but that bill did not pass the Senate before the end of the 33rd Legislature.
 - HB 91 has a nearly identical tax structure to HB 119 and picks up the conversation about marijuana tax reform where it left off last year.



Taskforce Recommendations included in HB 91

Recommendation 1

Reduce excise tax to 25% of current rate. Repeal the excise tax after a transition period and implement a sales tax.

Recommendation 10

Allow for product transfers between all license types.

Recommendation 11

Biannual licenses.

Marijuana Revenue in Alaska, FY 24

\$27.2 million total

\$13.5 million DGF

Recidivism Reduction Fund

\$6.7 million DGF

Marijuana Education and Treatment Fund

\$6.9 million UGF

Marijuana Tax Reform in HB 91

- Provides immediate tax relief by reducing the excise tax from \$50 per ounce, to \$12.50 per ounce on marijuana (Sec 11, effective Jul 1, 2025)
- Repeals the excise tax (Sec 18, effective Jan 1, 2026)
- Establishes a 6% Sales Tax on all Marijuana Sales (Sec 13, effective Jan 1, 2026)



Marijuana Policy Changes in HB 91

- Allow “upstream sales” so that marijuana stores can sell products back to producers (Sec 1,10).
Taskforce recommendation 10.
- Require a tracking number for each crop of marijuana rather than each individual plant (Sec 2).
All other agricultural products are tracked per crop.
- Biannual licenses for marijuana establishments (Sec 3-9). *Taskforce recommendation 11.*
- Quarterly statements, tax payments (Sec 14).
- Requires DOR to establish at least one tax collection facility in each of the four judicial districts (Sec 16).



Differences between HB 91 (Ver. A) and SB 73 (Ver. G)

- SB 73 by Senator Claman is another marijuana tax reform bill.
- Only includes biannual licenses, does not include the other policy reforms to support the industry outlined in HB 91.
- SB 73 lowers the excise tax to \$12 per ounce.
- SB 73 does not recoup lost revenue from excise tax cut, leading to approximately \$14 million in lost revenue.



Thank you!

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