

HOUSE BILL NO. 119

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST

Introduced: 3/17/23

Referred: Labor and Commerce, Finance

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(b) is amended to read:

11 (b) The department may exempt certain parts of the marijuana plant from the
12 excise tax described in (a) of this section or may establish a rate lower than **\$12.50 an**
13 [**\$50 PER**] ounce for certain parts of the marijuana plant.

14 * **Sec. 3.** AS 43.61.010(f) is amended to read:

15 (f) The marijuana education and treatment fund is established in the general

1 fund. **The** [IN ADDITION TO THE ACCOUNTING UNDER (c) OF THIS
 2 SECTION, THE] Department of Administration shall separately account for [25
 3 PERCENT OF] the tax collected under this section and deposit it into the marijuana
 4 education and treatment fund. The Department of Administration shall deposit interest
 5 earned on the fund into the general fund. Money in the fund does not lapse. The
 6 legislature may **appropriate from** [USE THE ANNUAL ESTIMATED BALANCE
 7 IN] the fund **not more than 33 percent of the annual estimated tax collected under**
 8 **this section to each of the following:**

9 **(1)** [TO MAKE APPROPRIATIONS TO] the Department of Health
 10 for the comprehensive marijuana use education and treatment program established
 11 under AS 44.29.020(a)(14);

12 **(2) the Department of Commerce, Community, and Economic**
 13 **Development to support administrative tasks relating to the cultivation,**
 14 **manufacture, and sale of marijuana and marijuana products in the state; and**

15 **(3) the general fund.**

16 * **Sec. 4.** AS 43.61.010 is amended by adding a new subsection to read:

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

21 * **Sec. 5.** AS 43.61.020 is amended to read:

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

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

31 (2) THE NAMES AND ALASKA ADDRESS OF EACH BUYER

1 AND TRANSFEREE; AND

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

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

9 * **Sec. 6.** AS 43.61.030 is amended to read:

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

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

17 * **Sec. 7.** AS 43.61.010(c) and 43.61.010(d) are repealed.

18 * **Sec. 8.** AS 43.61.010(a) and 43.61.010(b) are repealed July 1, 2028.

19 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 APPLICABILITY. AS 43.61.010(a), as amended by sec. 1 of this Act, and
22 AS 43.61.010(b), as amended by sec. 2 of this Act, apply to taxes accrued on or after the
23 effective date of secs. 1 and 2 of this Act.

24 * **Sec. 10.** Sections 4 - 6 of this Act take effect July 1, 2028.