

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 513** HLS 19RS 3
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 19, 2019 1:05 PM	Author: JORDAN
Dept./Agy.: Revenue	Analyst: Benjamin Vincent
Subject: Tax/Excise: Tax on Marijuana Dealers	

TAX/EXCISE EG NO IMPACT GF RV See Note Page 1 of 1

Repeals the marijuana tax levied on certain dealers and repeals provisions related to tax stamps which evidence payment of the tax

Present law levies a tax of \$3.50 per gram of marijuana, and requires the use of a tax stamp provided by the Department of Revenue to be affixed to every gram or unit of marijuana for verification of payment.

Proposed law repeals the excise tax on marijuana and the requirement for the tax stamp, as well as tax penalties.

Effective if and when HB 485 of the 2019 Regular Session becomes effective. This bill imposes an excise tax on the wholesale sales of cannabis in the state. The most recent version of HB 485 at the time of writing this fiscal note (Engrossed) provides an effective date of January 1, 2020.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

LDR reports that total net collections via tax stamps for marijuana and controlled dangerous substances since FY14 amount to approximately \$10,000 in total over the five-year period. The anticipated impact of proposed law on general fund revenues is negligible.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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