

15 AAC is amended to add a new chapter to read:

Chapter 61. Marijuana Tax.

Article

1. Administration (15 AAC 61.010 – 15 AAC 61.090)
2. Taxation (15 AAC 61.100 – 15 AAC 61.190)
3. General Provisions (15 AAC 61.200 – 15 AAC 61.290)

Article I. Administration

Section

010. Returns

020. License revocation and suspension

15 AAC 61.010. Tax Returns. (a) Each marijuana cultivation facility shall file a monthly tax return and report the total amount of marijuana sold or transferred in ounces, with fractional ounces calculated to the third decimal place, for the preceding month.

(b) The return must be filed electronically through the department’s tax revenue management system. If electronic filing is impractical or impossible for the taxpayer then the taxpayer must receive department approval to file a return on a paper form prescribed by the department.

(c) A separate return must be filed for each location when a taxpayer is operating in several locations within the state.

15 AAC 61.020. License revocation and suspension. The department will inform the Marijuana Control Board of failure to pay tax due or file a return as required under AS 43.61.010 and 43.61.020 to initiate license suspension or revocation proceedings by filing an accusation as provided in AS 17.38.090.

Article II. Taxation

Section

100. Marijuana tax

110. Exemptions

120. Credits and refunds

15 AAC 61.100. Marijuana tax. (a) All non-exempt marijuana sold or transferred from a marijuana cultivation facility shall be taxed as follows:

(1) Any part of the flower and bud, including the sugar leaf, will be taxed at \$50 per ounce;

(2) The remainder of the plant, not included in (1) above, will be taxed at \$15 per ounce.

(b) A marijuana cultivation facility that is also licensed as a marijuana product manufacturing facility must pay tax on all marijuana transferred from the cultivation facility to the product manufacturing facility for the month in which the marijuana was transferred.

(c) A marijuana cultivation facility that is also licensed as a retail marijuana store must pay tax on all marijuana transferred from the cultivation facility to the retail marijuana store for the month in which the marijuana was transferred.

15 AAC 61.110. Exemptions. Transfers to a licensed marijuana testing facility are exempt from the excise tax on marijuana.

15 AAC 61.120. Credits and refunds. A licensed marijuana cultivation facility may claim a credit for tax paid for marijuana that is returned to the licensee. The credit must be claimed for the month in which the marijuana was returned. The licensee must provide proof acceptable to the department that the tax had been previously paid and was refunded to the purchaser.

Article III. General Provisions

Section

200. Record keeping

210.

220.

290. Definitions

15 AAC 61.200. Record keeping. (a) A marijuana cultivation facility must keep records to support the information required on the monthly tax returns including sales and transfers. The

records must include an accounting for inventories of live plants, trimmings, and dried product on the first and last day of the month.

(b) An invoice, sales receipt or other record of the sale or transfer of marijuana products from a marijuana cultivation facility must separately state the amount of tax due after the sale or transfer.

(c) Any person selling marijuana at retail who cannot produce records showing taxes were paid on any marijuana in their possession are secondarily liable for the unpaid tax on marijuana.

15 AAC 61.290. Definitions. In AS 43.61.010 – 43.61.030 and this chapter,

- (1) "department" means the Department of Revenue;
- (2) "flower and bud" means the hairy, sticky, or crystal-covered parts of mature female marijuana plants generally harvested for their high potency content;
- (3) "marijuana" has the meaning given in AS 17.38.900;
- (4) "marijuana cultivation facility" has the meaning given in AS 17.38.900 and includes both a standard marijuana cultivation facility and a limited marijuana cultivation facility as licensed under 3 AAC 306.400;
- (5) "marijuana product manufacturing facility" has the meaning given in AS 17.38.900;
- (6) "marijuana testing facility" has the meaning given in AS 17.38.900;
- (7) "retail marijuana store" has the meaning given in AS 17.38.900;

(8) "sugar leaf" means the small leaf immediately below the actual flower which contain levels of THC comparable to the flower;

(9) "transfer" means the exchange of marijuana, as defined under AS 17.38.900, with or without consideration, or by barter, between marijuana establishments, or within marijuana establishments possessing multiple permits, for commercial purposes. (Eff. __/__/__, Register _____)

Authority: AS 43.05.080 AS 43.61.020 AS 43.61.030
AS 43.61.010