

**Public Comment:** The part of the marijuana plant referred to as sugar leaf should be considered trim and taxed at \$15 an ounce and not \$50 an ounce.

**Agency Response:** Sugar leaf is the smaller leaf close to the mature flower or bud of the marijuana plant and is usually trimmed or removed from the bud to improve the aesthetic appeal of the dried flower or bud. Normally, the sugar leaf is not dried, but processed to extract the THC-bearing oils from the trichomes without the undesirable fibrous material. Based on comments from the marijuana industry concerning both the financial and processing impact of \$50 an ounce tax rate for sugar leaf, the Tax Division has decided to tax the sugar leaf at the tax rate of \$15 per ounce.

**Public Comment:** Marijuana transferred or sold should be calculated to the nearest hundredths of an ounce, not thousandths of an ounce.

**Agency Response:** Marijuana is commonly sold by the one-eighth ounce or .125 ounces. The Tax Division's tax integrated management system and tax forms have been developed using three decimal places (thousandths). The Tax Division looked at the other states that have legalized marijuana before making a decision on how many decimal places to use when calculating the taxable weight. The state that has legalized marijuana and taxes at the grower level calculates to the nearest thousandths