

HOUSE BILL 408

E4, Q3

3lr1637

By: **Delegate Grammer**

Introduced and read first time: January 30, 2023

Assigned to: Economic Matters and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Alcohol and Tobacco Commission – Industry to Consumer Cannabis**
3 **Legalization Awareness Program and Tax Credit**

4 FOR the purpose of requiring the Alcohol and Tobacco Commission to establish and
5 administer the Industry to Consumer Cannabis Legalization Awareness Program;
6 authorizing a certain certified participant to claim a certain credit against the State
7 income tax; and generally relating to cannabis legalization.

8 BY adding to

9 Article – Alcoholic Beverages

10 Section 1–322

11 Annotated Code of Maryland

12 (2016 Volume and 2022 Supplement)

13 BY adding to

14 Article – Tax – General

15 Section 10–757

16 Annotated Code of Maryland

17 (2022 Replacement Volume)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – Alcoholic Beverages**

21 **1–322.**

22 **(A) IN THIS SECTION, “PROGRAM” MEANS THE INDUSTRY TO CONSUMER**
23 **CANNABIS LEGALIZATION AWARENESS PROGRAM ESTABLISHED IN ACCORDANCE**
24 **WITH THIS SECTION.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) THE COMMISSION SHALL ESTABLISH AN INDUSTRY TO CONSUMER**
2 **CANNABIS LEGALIZATION AWARENESS PROGRAM.**

3 **(C) THE PURPOSE OF THE PROGRAM IS TO SPREAD AWARENESS ABOUT:**

4 **(1) LEGALIZATION AND AVAILABILITY OF ADULT-USE AND MEDICAL**
5 **CANNABIS;**

6 **(2) THE WAYS BLACK MARKET CANNABIS SALES CONTRIBUTE TO**
7 **CRIME; AND**

8 **(3) THE ROLE CONSUMERS CAN PLAY IN CRIME REDUCTION BY**
9 **TRANSITIONING TO LEGAL CANNABIS MARKETS.**

10 **(D) THE COMMISSION SHALL:**

11 **(1) PROVIDE THE DATA AND RESOURCES NECESSARY FOR THE**
12 **OPERATION OF THE PROGRAM;**

13 **(2) INSTITUTE A CERTIFICATION PROCESS FOR PARTICIPATION IN**
14 **THE PROGRAM;**

15 **(3) CREATE A ONE-PAGE DOCUMENT TO DISSEMINATE AMONG**
16 **CERTIFIED PARTICIPANTS THAT HIGHLIGHTS THE BENEFITS OF LEGAL CANNABIS**
17 **MARKETS AND THE DANGERS OF CANNABIS BLACK MARKETS; AND**

18 **(4) INSTITUTE A PROCESS FOR AUDITING AND OVERSEEING**
19 **PARTICIPATION IN THE PROGRAM.**

20 **(E) (1) THE FOLLOWING ENTITIES ARE ELIGIBLE TO PARTICIPATE IN THE**
21 **PROGRAM ON CERTIFICATION WITH THE COMMISSION:**

22 **(I) CANNABIS GROWERS;**

23 **(II) CANNABIS PROCESSERS;**

24 **(III) CANNABIS DISPENSARIES; AND**

25 **(IV) CANNABIS DELIVERY BUSINESSES.**

26 **(2) A CERTIFIED PARTICIPANT SHALL MAKE THE DOCUMENT**
27 **DESCRIBED IN SUBSECTION (D)(3) OF THIS SECTION READILY AVAILABLE FOR**

1 CONSUMERS.

2 (F) A CERTIFIED PARTICIPANT MAY CLAIM A CREDIT AGAINST THE STATE
3 INCOME TAX FOR PARTICIPATION IN THE PROGRAM IN ACCORDANCE WITH § 10-757
4 OF THE TAX – GENERAL ARTICLE.

5 (G) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE
6 PROVISIONS OF THIS SECTION, INCLUDING REGULATIONS THAT ESTABLISH
7 CRITERIA AND PROCEDURES FOR THE CERTIFICATION OF PARTICIPANTS IN THE
8 PROGRAM AND THE DUTIES OF PARTICIPANTS UNDER THE PROGRAM.

9 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
10 as follows:

11 **Article – Tax – General**

12 **10-757.**

13 (A) FOR A TAXABLE YEAR IN WHICH A CANNABIS ENTITY BECOMES A
14 CERTIFIED PARTICIPANT IN THE INDUSTRY TO CONSUMER CANNABIS
15 LEGALIZATION AWARENESS PROGRAM ESTABLISHED UNDER § 1-322 OF THE
16 ALCOHOLIC BEVERAGES ARTICLE, THE ENTITY MAY CLAIM A CREDIT AGAINST THE
17 STATE INCOME TAX IN AN AMOUNT EQUAL TO 0.25% OF THE ANNUAL GROSS
18 REVENUE OF THE ENTITY IN THAT TAXABLE YEAR THAT IS ATTRIBUTABLE TO THE
19 ENTITY'S TRADE OR BUSINESS IN THE STATE.

20 (B) THE UNUSED AMOUNT OF A CREDIT CLAIMED UNDER SUBSECTION (A)
21 OF THIS SECTION MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

22 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
23 applicable to all taxable years beginning after December 31, 2022.

24 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2023.