

Letter of Information**Senate Bill 215 – Cannabis – On-Site Consumption Establishments and Cannabis Events**
Finance Committee
January 30, 2025

The Office of the Comptroller is respectfully submitting this letter of information for Senate Bill 205 (SB205), Cannabis – On-Site Consumption Establishments and Cannabis Events. SB205 establishes licensing, restrictions, and guidelines for cannabis events and on-site consumption establishments. The Office of the Comptroller suggests the following two amendments for consideration by the Maryland Cannabis Administration and the Committee:

1. Require each vendor to submit separate SUT forms for each event. The sales and use tax (SUT) form for cannabis retailers currently requires them to report their location so that the revenue can be distributed to the correct jurisdiction, and they cannot combine sales from different locations on a separate SUT form. Under SB205, the cannabis sold at a cannabis event is sourced to the location of the event for purposes of revenue distribution. We recommend adding a requirement that each licensed cannabis vendor at a cannabis event must submit a separate SUT form reporting their sales and SUT collected for each event. This will assist us with properly tracking the SUT and distributing its revenue correctly.

2. Ensure that cannabinoid beverages are taxed as cannabis, not food. To avoid ambiguity, we recommend clarifying that cannabinoid beverages should be taxed as cannabis, and should not be considered food items and therefore exempt from SUT. This can be accomplished by adding “a cannabinoid beverage as defined in § 36-101 of the Alcoholic Beverages and Cannabis Article” to Tax General Article § 11-206(a)(3)(iii),

Thank you for your consideration of these amendments. As always, the Office of the Comptroller is eager to discuss these concerns or answer any questions at your convenience. Please feel free to reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

