STATE OF NEW YORK

4831--A

2023-2024 Regular Sessions

IN SENATE

February 15, 2023

Introduced by Sens. COONEY, COMRIE, RAMOS -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue -- recommitted to the Committee on Budget and Revenue in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to the imposition of taxes on the sale of cannabis; and to repeal certain provisions of such law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision (k) of section 492 of the tax law is REPEALED.

§ 2. Section 493 of the tax law, as added by chapter 92 of the laws of 2021, is amended to read as follows:

§ 493. Imposition of tax. (a) There is hereby imposed a tax on adult-use cannabis products sold by a distributor to a person who sells adult-use cannabis products at retail at the following rates:

(1) **For tax years beginning before January first, two thousand twenty-five:**

(i) cannabis flower at the rate of five-tenths of one cent per milligram of the amount of total THC, as reflected on the product label;

[~~(2)~~] **(ii)** concentrated cannabis at the rate of eight-tenths of one cent per milligram of the amount of total THC, as reflected on the product label; and

[~~(3)~~] **(iii)** cannabis edible product at the rate of three cents per milligram of the amount of total THC, as reflected on the product label. This tax shall accrue at the time of such sale or transfer. Where a person who distributes adult-use cannabis is licensed under the cannabis law as a microbusiness or registered organization, such person shall be liable for the tax, and such tax shall accrue at the time of the retail sale**;**

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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(2) For tax years beginning on January first, two thousand twenty-five and ending before January first, two thousand twenty-eight:

five percent of the amount charged for the sale or transfers of adult-use cannabis products to a licensed retailer from a licensed distributor;

(3) For tax years beginning on January first, two thousand twenty-nine and ending before January first, two thousand thirty-two:

seven percent of the amount charged for the sale or transfers of adult-use cannabis products to a licensed retailer from a licensed distributor;

(4) For tax years beginning on January first, two thousand thirty-three and thereafter:

nine percent of the amount charged for the sale or transfers of adult-use cannabis products to a licensed retailer from a licensed distributor.

(a-1) The tax imposed by subparagraphs two, three, and four of subdivision (a) of this section shall accrue at the time of such sale or transfer. Where a person who distributes adult-use cannabis is licensed under the cannabis law as a microbusiness or registered organization and such person sells adult-use cannabis products at retail, such person shall be liable for the tax, such tax shall accrue at the time of the retail sale, and the amount subject to the tax imposed by this subdivision shall be seventy-five percent of the amount charged by such person for the sale or transfer of such products to a retail customer.

(b) In addition to any other tax imposed by this chapter or other law, there is hereby imposed a tax of nine percent of the amount charged for the sale or transfer of adult-use cannabis products to a retail customer by a person who sells adult-use cannabis products at retail. This tax is imposed on the person who sells adult-use cannabis at retail and shall accrue at the time of such sale or transfer.

(c) In addition to the taxes imposed by subdivisions (a) and (b) of this section, there is hereby imposed a tax on the sale or transfer of adult-use cannabis products to a retail customer by a person who sells adult-use cannabis products at retail at the rate of four percent of the amount charged by such person for such adult-use cannabis product, which tax shall accrue at the time of such sale or transfer. The tax imposed by this subdivision is imposed on a person who sells adult-use cannabis products at retail, and shall be paid to the commissioner in trust for and on account of a city having a population of a million or more, and counties (other than counties wholly within such a city), towns, villages, and cities with a population of less than a million in which a retail dispensary is located.

(d) The taxes imposed by this section shall not apply to sales of adult-use cannabis to a person holding a cannabis research license under section thirty-nine of the cannabis law.

§ 3. Subdivision (a) of section 496-b of the tax law, as added by chapter 92 of the laws of 2021, is amended to read as follows:

(a) The provisions of part four of article [~~twenty-seven~~] twenty-eight of this chapter shall apply to the taxes imposed by section four hundred ninety-three of this article in the same manner and with the same force and effect as if the language of such article had been incorporated in full into this section and had expressly referred to the tax imposed by this article, except to the extent that any provision of such article is either inconsistent with a provision of this article or is not relevant to this article.

§ 4. This act shall take effect immediately.