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SENATE BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Katy M. Duhigg

AN ACT

RELATING TO TAXATION; REMOVING INCREMENTAL INCREASES TO THE
CANNABIS EXCISE TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 7-42-3 NMSA 1978 (being Laws 2021 (1st
S.S.), Chapter 4, Section 45) is amended to read:

"7-42-3. CANNABIS EXCISE TAX.--

A. An excise tax is imposed on a cannabis retailer
that sells cannabis products in this state. The tax imposed by
this section may be referred to as the "cannabis excise tax".

B. The rate of the cannabis excise tax shall be [~~at~~
~~the following rates~~] twelve percent and shall be applied to the
price paid for a cannabis product

~~[(1) prior to July 1, 2025, twelve percent;~~

~~(2) beginning July 1, 2025 and prior to July~~

underscoring material = new
~~[bracketed material] = delete~~

1 ~~1, 2026, thirteen percent;~~
2 ~~(3) beginning July 1, 2026 and prior to July~~
3 ~~1, 2027, fourteen percent;~~
4 ~~(4) beginning July 1, 2027 and prior to July~~
5 ~~1, 2028, fifteen percent;~~
6 ~~(5) beginning July 1, 2028 and prior to July~~
7 ~~1, 2029, sixteen percent;~~
8 ~~(6) beginning July 1, 2029 and prior to July~~
9 ~~1, 2030, seventeen percent; and~~
10 ~~(7) beginning July 1, 2030, eighteen percent].~~

11 C. The cannabis excise tax shall not apply to
12 retail sales of medical cannabis products sold to a qualified
13 patient or a primary caregiver who presents a registry
14 identification card issued pursuant to the Lynn and Erin
15 Compassionate Use Act or a reciprocal participant who presents
16 similar proof from another state, the District of Columbia or a
17 territory or commonwealth of the United States at the time of
18 the sale."

19 SECTION 2. EFFECTIVE DATE.--The effective date of the
20 provisions of this act is July 1, 2024.