

HOUSE BILL NO. 878

INTRODUCED BY T. BROCKMAN, S. KERNS, G. NIKOLAKAKOS, A. BUCKLEY, G. FRAZER, R. MARSHALL, E. BUTTREY, P. GREEN, J. KASSMIER

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING MEDICAL MARIJUANA LAWS TO ALLOW VETERANS TO PURCHASE MARIJUANA AT THE MEDICAL MARIJUANA TAX RATE; PROVIDING RULEMAKING AUTHORITY; PROVIDING A DEFINITION; AMENDING SECTION 15-64-102, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Veteran benefit for tax on marijuana -- identification required --

rulemaking. (1) An eligible veteran may purchase marijuana, marijuana products, and live marijuana plants at a medical marijuana dispensary or an adult-use dispensary at the medical marijuana tax rate imposed in 15-64-102(1).

(2) To qualify for the medical marijuana tax rate, the eligible veteran shall present proof of the individual's veteran status, such as a DD form 214, a U.S. department of veterans affairs identification card, or a driver's license indicating the person's veteran status.

(3) The department may adopt rules to implement the provisions of this section.

(4) "Eligible veteran" means an honorably discharged individual who served on active duty, other than for training, with the United States armed forces, including an individual who served with the United States coast guard. The term includes individuals who served with the first special service force and the American merchant marine in oceangoing service during the period of armed conflict from December 7, 1941, to August 15, 1945.

Section 2. Section 15-64-102, MCA, is amended to read:

"15-64-102. Tax on marijuana sales. (1) For a medical marijuana dispensary, there is a 4% tax on the retail price of marijuana, marijuana products, and live marijuana plants for use by individuals with

1 debilitating medical conditions and eligible veterans in accordance with [section 1].

2 (2) (a) For an adult use-dispensary, there is a 20% tax on the retail price of marijuana, marijuana
3 products, and live marijuana plants.

4 (b) In accordance with [section 1], an eligible veteran may purchase marijuana, marijuana
5 products, and live marijuana plants at an adult-use dispensary at the rate provided in subsection (1).

6 (3) The taxes set forth in subsections (1) and (2) are imposed on the purchaser and must be
7 collected at the time of the sale and paid by the seller to the department for deposit in the marijuana state
8 special revenue account provided for in 16-12-111.

9 (4) A dispensary licensed under Title 16, chapter 12, shall submit a quarterly report to the
10 department listing the total dollar amount of sales. The report must be:

11 (a) made on forms prescribed by the department; and

12 (b) submitted within 15 days of the end of each calendar quarter.

13 (5) At the time the report is filed, the dispensary shall submit a payment equal to the percentage
14 provided in subsection (1) or (2) of the total dollar amount of sales.

15 (6) The department shall deposit the taxes paid under this section in the state special revenue
16 account provided for in 16-12-111 within the state special revenue fund established in 17-2-102.

17 (7) The tax imposed by this part and related interest and penalties are a personal debt of the
18 person required to file a return from the time that the liability arises, regardless of when the time for payment of
19 the liability occurs.

20 (8) For the purpose of determining liability for the filing of statements and the payment of taxes,
21 penalties, and interest owed under 15-64-103 through 15-64-106:

22 (a) the officer of a corporation whose responsibility it is to truthfully account for and pay to the state
23 taxes provided for in 15-64-103 through 15-64-106 and who fails to pay the taxes is liable to the state for the
24 taxes and the penalty and interest due on the amounts;

25 (b) each officer of the corporation, to the extent that the officer has access to the requisite records,
26 is individually liable along with the corporation for filing statements and for unpaid taxes, penalties, and interest
27 upon a determination that the officer:

28 (i) possessed the responsibility to file statements and pay taxes on behalf of the corporation; and

1 (ii) possessed the responsibility on behalf of the corporation for directing the filing of statements or
2 the payment of other corporate obligations and exercised that responsibility, resulting in the corporation's failure
3 to file statements required by this part or pay taxes due as required by this part;

4 (c) each partner of a partnership is jointly and severally liable, along with the partnership, for any
5 statements, taxes, penalties, and interest due while a partner;

6 (d) each member of a limited liability company that is treated as a partnership or as a corporation
7 for income tax purposes is jointly and severally liable, along with the limited liability company, for any
8 statements, taxes, penalties, and interest due while a member;

9 (e) the member of a single-member limited liability company that is disregarded for income tax
10 purposes is jointly and severally liable, along with the limited liability company, for any statements, taxes,
11 penalties, and interest due while a member; and

12 (f) each manager of a manager-managed limited liability company is jointly and severally liable,
13 along with the limited liability company, for any statements, taxes, penalties, and interest due while a manager.

14 (9) In determining which corporate officer is liable, the department is not limited to considering the
15 elements set forth in subsection (8)(a) to establish individual liability and may consider any other available
16 information.

17 (10) In the case of a bankruptcy, the liability of the individual remains unaffected by the discharge of
18 penalty and interest against the corporation. The individual remains liable for any statements and the amount of
19 taxes, penalties, and interest unpaid by the entity.

20 (11) The tax levied pursuant to this section is separate from and in addition to any general state and
21 local sales and use taxes that apply to retail sales, which must continue to be collected and distributed as
22 provided by law.

23 (12) The tax levied under this section must be used as designated in 16-12-111."
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25 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
26 integral part of Title 16, chapter 12, part 1, and the provisions of Title 16, chapter 12, part 1, apply to [section 1].
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28 **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 2023.

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