

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

April 25, 2013
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB13-1318 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 4, line 7, before "As" insert "UNLESS THE
- 2 CONTEXT OTHERWISE REQUIRES, ANY TERMS NOT DEFINED IN THIS ARTICLE
- 3 SHALL HAVE THE MEANINGS SET FORTH IN ARTICLE 26 OF THIS TITLE."

- 4 Page 4, strike lines 9 through 27.

- 5 Page 5, strike lines 1 through 18.

- 6 Renumber succeeding subsections accordingly.

- 7 Page 5, line 20, strike "BASIS," and substitute "BASIS IN SIX-MONTH
- 8 INTERVALS,".

- 9 Page 5, line 24, after "FACILITIES." add "AN "AVERAGE MARKET RATE"
- 10 MAY BE BASED ON THE PURCHASER OR TRANSFEREE OF UNPROCESSED
- 11 RETAIL MARIJUANA OR ON THE NATURE OF THE UNPROCESSED RETAIL
- 12 MARIJUANA THAT IS SOLD OR TRANSFERRED."

- 13 Page 6, after line 13 insert:

- 14 "(7) "RETAIL MARIJUANA" MEANS ALL PARTS OF THE PLANT OF THE
- 15 GENUS CANNABIS WHETHER GROWING OR NOT, THE SEEDS THEREOF, THE
- 16 RESIN EXTRACTED FROM ANY PART OF THE PLANT, AND EVERY COMPOUND,
- 17 MANUFACTURE, SALT, DERIVATIVE, MIXTURE, OR PREPARATION OF THE

1 PLANT, ITS SEEDS, OR ITS RESIN, INCLUDING MARIJUANA CONCENTRATE.
2 "RETAIL MARIJUANA" DOES NOT INCLUDE INDUSTRIAL HEMP, NOR DOES IT
3 INCLUDE FIBER PRODUCED FROM THE STALKS, OIL, CAKE MADE FROM THE
4 SEEDS OF THE PLANT, STERILIZED SEED OF THE PLANT THAT IS INCAPABLE
5 OF GERMINATION, OR THE WEIGHT OF ANY OTHER INGREDIENT COMBINED
6 WITH MARIJUANA TO PREPARE TOPICAL OR ORAL ADMINISTRATIONS, FOOD,
7 DRINK, OR OTHER PRODUCT.

8 (8) "RETAIL MARIJUANA CULTIVATION FACILITY" MEANS AN
9 ENTITY LICENSED TO CULTIVATE, PREPARE, AND PACKAGE RETAIL
10 MARIJUANA AND SELL RETAIL MARIJUANA TO RETAIL MARIJUANA STORES,
11 TO RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITIES, AND TO
12 OTHER RETAIL MARIJUANA CULTIVATION FACILITIES, BUT NOT TO
13 CONSUMERS.

14 (9) "RETAIL MARIJUANA PRODUCTS" MEANS CONCENTRATED
15 RETAIL MARIJUANA PRODUCTS AND RETAIL MARIJUANA PRODUCTS THAT
16 ARE COMPRISED OF RETAIL MARIJUANA AND OTHER INGREDIENTS AND ARE
17 INTENDED FOR USE OR CONSUMPTION, SUCH AS, BUT NOT LIMITED TO,
18 EDIBLE PRODUCTS, OINTMENTS, AND TINCTURES.

19 (10) "RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITY"
20 MEANS AN ENTITY LICENSED TO PURCHASE RETAIL MARIJUANA;
21 MANUFACTURE, PREPARE, AND PACKAGE RETAIL MARIJUANA PRODUCTS;
22 AND SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO
23 OTHER RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITIES AND TO
24 RETAIL MARIJUANA STORES, BUT NOT TO CONSUMERS.

25 (11) "RETAIL MARIJUANA SALES TAX" MEANS THE SALES TAX
26 IMPOSED ON RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS
27 PURSUANT TO PART 2 OF THIS ARTICLE.

28 (12) "RETAIL MARIJUANA STORE" MEANS AN ENTITY LICENSED BY
29 THE DEPARTMENT TO PURCHASE RETAIL MARIJUANA FROM RETAIL
30 MARIJUANA CULTIVATION FACILITIES AND RETAIL MARIJUANA AND RETAIL
31 MARIJUANA PRODUCTS FROM RETAIL MARIJUANA PRODUCT
32 MANUFACTURING FACILITIES AND TO SELL RETAIL MARIJUANA AND RETAIL
33 MARIJUANA PRODUCTS TO CONSUMERS."

34 Renumber succeeding sections accordingly.

35 Page 6, line 25, strike "PART 1 OF ARTICLE 26 OF THIS TITLE;" and
36 substitute "ARTICLE 21 OF THIS TITLE AND PART 1 OF ARTICLE 26 OF THIS
37 TITLE, INCLUDING, WITHOUT LIMITATION, ANY PENALTIES FOR FAILURE TO
38 MAKE ANY RETURN OR TO COLLECT OR PAY ANY TAX;".

1 Page 6, line 27, strike "OF PART" and substitute "OF ARTICLE 21 OF THIS
2 TITLE OR PART".

3 Page 7, line 13, strike "TAX." and substitute "TAX AND EXCEPT THAT THE
4 DEPARTMENT OF REVENUE MAY REQUIRE A RETAILER TO MAKE RETURNS
5 AND REMIT THE TAX DESCRIBED IN THIS PART 2 BY ELECTRONIC MEANS.".

6 Page 8, after line 7 insert:

7 "(3) THE DEPARTMENT MAY REQUIRE RETAIL MARIJUANA STORES
8 TO FILE TAX RETURNS AND REMIT PAYMENTS DUE PURSUANT TO THIS PART
9 2 ELECTRONICALLY. THE DEPARTMENT SHALL PROMULGATE RULES
10 GOVERNING ELECTRONIC PAYMENT AND FILING.

11 (4) A RETAIL MARIJUANA STORE SHALL FILE WITH THE
12 DEPARTMENT EVIDENCE OF A SURETY BOND ISSUED BY A COMPANY
13 AUTHORIZED TO DO BUSINESS IN THIS STATE FOR THE BENEFIT OF THE
14 DEPARTMENT IN AN AMOUNT EQUAL TO TWO MONTHS OF THE STORE'S
15 ANTICIPATED COLLECTIONS OF THE TAX IMPOSED PURSUANT TO THIS PART
16 2. THE AMOUNT OF THE STORE'S ANTICIPATED COLLECTIONS SHALL BE
17 DETERMINED SOLELY IN THE DISCRETION OF THE RETAIL MARIJUANA
18 STORE. A STORE MAY FILE A REPLACEMENT SURETY BOND IF THE AMOUNT
19 OF THE STORE'S ANTICIPATED COLLECTIONS CHANGES AFTER THE STORE
20 HAS FILED A BOND WITH THE DEPARTMENT PURSUANT TO THIS SUBSECTION
21 (4).".

22 Page 8, line 16, strike "TEN" and substitute "FIFTEEN".

23 Page 8, strike line 23 and substitute "DEPARTMENT.".

24 Page 8, line 24, strike "PURSUANT TO THIS PARAGRAPH (a).".

25 Page 9, line 1, strike "DEPARTMENT THAT" and substitute "DEPARTMENT.".

26 Page 9, strike lines 2 and 3.

27 Page 10, line 6, strike "PURPOSES." and substitute "PURPOSES; HOWEVER,
28 ANY LOCAL TAX IMPOSED AT OTHER THAN THE LOCAL JURISDICTION'S
29 GENERAL SALES TAX RATE SHALL NOT BE COLLECTED, ADMINISTERED, AND
30 ENFORCED BY THE DEPARTMENT OF REVENUE PURSUANT TO SECTION
31 29-2-106, C.R.S., BUT SHALL INSTEAD BE COLLECTED, ADMINISTERED,
32 AND ENFORCED BY THE LOCAL GOVERNMENT ITSELF.".

1 Page 10, after line 14 insert:

2 "(2) ON OR BEFORE APRIL 1, 2014, AND ON OR BEFORE APRIL 1
3 EACH YEAR THEREAFTER THROUGH APRIL 1, 2016, THE FINANCE
4 COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR
5 ANY SUCCESSOR COMMITTEES, SHALL REVIEW THE PROVISIONS OF
6 PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION TO DETERMINE
7 WHETHER THE PERCENTAGE OF THE TAX IMPOSED PURSUANT TO THIS PART
8 2 THAT IS APPORTIONED TO LOCAL GOVERNMENTS IS APPROPRIATE. THE
9 FINANCE COMMITTEES MAY REQUEST ASSISTANCE AND INPUT FROM THE
10 DEPARTMENT OF REVENUE AND THE DEPARTMENT OF LOCAL AFFAIRS IN
11 MAKING THIS DETERMINATION."

12 Page 11, line 7, strike "PART 1 OF ARTICLE 26 OF THIS TITLE;" and
13 substitute "ARTICLE 21 OF THIS TITLE AND PART 1 OF ARTICLE 26 OF THIS
14 TITLE, INCLUDING, WITHOUT LIMITATION, ANY PENALTIES FOR FAILURE TO
15 MAKE ANY RETURN OR TO COLLECT OR PAY ANY TAX;"

16 Page 11, line 9, strike "OF PART" and substitute "OF ARTICLE 21 OF THIS
17 TITLE OR PART".

18 Page 14, line 2, strike "QUARTER." and substitute "MONTH."

19 Page 14, line 6, strike "QUARTER" and substitute "MONTH".

20 Page 14, strike lines 10 through 14 and substitute "THE AMOUNT OF TAX
21 DUE."

22 Page 14, after line 18 insert:

23 "(4) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL FILE WITH
24 THE DEPARTMENT EVIDENCE OF A SURETY BOND ISSUED BY A COMPANY
25 AUTHORIZED TO DO BUSINESS IN THIS STATE FOR THE BENEFIT OF THE
26 DEPARTMENT IN AN AMOUNT EQUAL TO TWO MONTHS OF THE FACILITY'S
27 ANTICIPATED LIABILITY FOR THE TAX IMPOSED PURSUANT TO THIS PART 3.
28 THE AMOUNT OF THE FACILITY'S ANTICIPATED TAX LIABILITY SHALL BE
29 DETERMINED SOLELY IN THE DISCRETION OF THE RETAIL MARIJUANA
30 CULTIVATION FACILITY. A FACILITY MAY FILE A REPLACEMENT SURETY
31 BOND IF THE AMOUNT OF THE FACILITY'S ANTICIPATED TAX LIABILITY
32 CHANGES AFTER THE FACILITY HAS FILED A BOND WITH THE DEPARTMENT
33 PURSUANT TO THIS SUBSECTION (4)."

- 1 Page 14, line 22, after "ARE" insert "A TAX ON".
- 2 Page 15, line 2, after "RECEIVED" insert "UP TO THE AMOUNT OF THE
3 CREDIT RECEIVED".
- 4 Page 15, line 4, after "A" insert "TAX ON".
- 5 Page 15, line 20, after "A" insert "TAX ON".
- 6 Page 16, line 2, strike ""BAD" and substitute ""TAX ON BAD".
- 7 Page 16, line 8, strike "ELIGIBLE" and substitute "ELIGIBLE, OR WOULD BE
8 ELIGIBLE BUT FOR THE PROVISIONS OF SECTION 280E OF THE INTERNAL
9 REVENUE CODE,".
- 10 Page 16, strike lines 10 and 11 and substitute "AMENDED. "TAX ON BAD
11 DEBT" SHALL NOT INCLUDE THE TAX RELATED TO UNCOLLECTIBLE".
- 12 Page 16, strike lines 14 and 15 and substitute "PAID, AN ACCOUNT".
- 13 Page 16, line 22, after "COLLECTED" insert "ANNUALLY".

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