



FOR IMMEDIATE RELEASE

October 31, 2018

## CHANGES TO MARIJUANA TAX REGULATIONS ADOPTED

On October 4, 2018, the Department of Revenue adopted regulation changes in Title 15, Chapter 43 of the Alaska Administrative Code. The regulations were changed to implement new tax rates for various parts of marijuana and to add a new subsection pertaining to the tax rate applicable to different parts of marijuana sold or transferred in a single package, and to add definitions.

The regulation changes were reviewed and approved by the Department of Law, signed and filed by the Lieutenant Governor on October 8, 2018, and public noticed on October 9, 2018.<sup>1</sup> **The changes will go into effect on January 1, 2019.**

The new regulation changes will be printed in Register 228, January 2019 of the Alaska Administrative Code.

### SUMMARY OF CHANGES (in plain language):

- The department added a third tax rate for immature, seedy, or failed bud/flower. Before the changes, there were two rates - \$50/oz for all bud/flower and \$15/oz for everything else. The new third tax rate is \$25/oz for bud/flower that didn't mature, bud/flower that contain seeds, or bud/flower that failed testing because of mold.
- Clones will now be taxed at a flat rate of \$1/plant, and not by weight.
- Packages of marijuana that contain a combination of any of the three tax rates will be taxed at the highest rate.
- Definitions were added/updated for different types and parts of the marijuana plant.

In addition to this notification, the department will notify each licensed cultivator by letter with further information and detailed instructions about how to transfer marijuana in METRC and how to report the taxable transfers on the monthly tax returns.

For more information, please call the Tax Division at 907.269.6620.

---

<sup>1</sup> <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=191713>.