
HOUSE BILL 1414

State of Washington 64th Legislature 2015 Regular Session

By Representatives Moscoso, Condotta, Wylie, Holy, and Reykdal

Read first time 01/20/15. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to exempting marijuana producers from taxation
2 for sales to other producers of marijuana seeds and cloned marijuana
3 plants; and amending RCW 69.50.535.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 69.50.535 and 2014 c 192 s 7 are each amended to
6 read as follows:

7 (1)(a) Except as provided under (b) of this subsection, there is
8 levied and collected a marijuana excise tax equal to twenty-five
9 percent of the selling price on each wholesale sale in this state of
10 marijuana by a licensed marijuana producer to a licensed marijuana
11 processor or another licensed marijuana producer. This tax is the
12 obligation of the licensed marijuana producer.

13 (b) Sales of marijuana seeds and live, cloned, nonflowering,
14 marijuana plants between producers, as authorized under RCW
15 69.50.325(1), are not subject to taxation. For the purposes of this
16 subsection (1)(b), "nonflowering marijuana plants" means those plants
17 that do not include the presence of developing flowers or buds,
18 pollen, trichomes, or THC crystals.

19 (2) There is levied and collected a marijuana excise tax equal to
20 twenty-five percent of the selling price on each wholesale sale in
21 this state of marijuana concentrates, useable marijuana, and

1 marijuana-infused products by a licensed marijuana processor to a
2 licensed marijuana retailer. This tax is the obligation of the
3 licensed marijuana processor.

4 (3) There is levied and collected a marijuana excise tax equal to
5 twenty-five percent of the selling price on each retail sale in this
6 state of marijuana concentrates, useable marijuana, and marijuana-
7 infused products. This tax is the obligation of the licensed
8 marijuana retailer, is separate and in addition to general state and
9 local sales and use taxes that apply to retail sales of tangible
10 personal property, and is part of the total retail price to which
11 general state and local sales and use taxes apply.

12 (4) All revenues collected from the marijuana excise taxes
13 imposed under subsections (1) through (3) of this section shall be
14 deposited each day in a depository approved by the state treasurer
15 and transferred to the state treasurer to be credited to the
16 dedicated marijuana fund.

17 (5) The state liquor control board shall regularly review the tax
18 levels established under this section and make recommendations to the
19 legislature as appropriate regarding adjustments that would further
20 the goal of discouraging use while undercutting illegal market
21 prices.

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