

**SPECIAL TAXES  
Controlled Substances/Illegal Cannabis  
Tax Repeal**

March 12, 2024

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue

Analysis of S.F. 3670 (Oumou Verbeten) As proposed to be Amended (SCS3670A-2)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>	<b><u>F.Y. 2026</u></b>	<b><u>F.Y. 2027</u></b>
		(000's)		
General Fund	\$0	negl.	(\$5)	(\$5)

This is effective August 1, 2024.

**EXPLANATION OF THE BILL**

**Current Law:** A tax is imposed on controlled substances and illegal cannabis at the following rates:

- \$3.50/gram of illegal cannabis
- \$200/gram of controlled substance
- \$400/ten dosage units of a controlled substance that is not sold by weight

A penalty of 100% of the tax is also imposed and collected with the tax.

**Proposed Law:** The bill would repeal the Illegal Cannabis and Controlled Substances tax.

**REVENUE ANALYSIS DETAIL**

- The estimate is based on the February 2024 forecast.
- Fiscal year 2025 estimate is adjusted for 10 months of impact.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>