

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office

Bill Number: HB 2197 - A
Revenue Area: Marijuana Tax
Economist: Mazen Malik
Date: 06-07-2017

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Directs Oregon Liquor Control Commission to enter into agreement with nongovernmental entity that conducts or funds research on cannabis and cannabis-derived products.

Revenue Impact:

The amendment specifies a store that will sell tribal products and for the tax to be refunded. Currently there is only one tribe that qualifies for this arrangement. The tax revenue expected to be refunded is \$130,000 a year at the start to about \$185,000 by 2020.

If more tribes join this arrangement, then it is fair to expect the about the same amounts to be refunded to each participating and producing tribe.

Impact Explanation:

Under the language of this amendment, DOR would need an Inter-Governmental Agreement (IGA) with the "governing body of a federally recognized Indian tribe that has entered in to an agreement with the Governor. The amendment allows the tribe to get a rebate for tax payments on a retail store for all the products produced and/or processed on the tribal lands. The amendment leaves most of the specifics to an IGA. The -4 amendment allows for said rebate payments on marijuana produced or processed by tribal retailers.

Creates, Extends, or Expands Tax Expenditure: Yes No

This bill allows for a refund of tax payment for the producers and processor of marijuana products on federally recognized tribal lands. The intent of this expenditure is to conserve the independent taxation statutes of the tribal nations.