



General Assembly

February Session, 2026

Committee Bill No. 5109

LCO No. 1852



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT REPLACING THE CANNABIS TOTAL THC TAX WITH AN EXCISE TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-330ll of the 2026 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2026, and applicable to sales occurring on or after October*
4 *1, 2026*):

5 (a) As used in this section and sections 12-330mm and 12-330nn:

6 (1) "Cannabis" has the same meaning as provided in section 21a-420;

7 [(2) "Cannabis concentrate" has the same meaning as provided in
8 section 21a-420;

9 (3) "Cannabis edible product" means a product containing cannabis
10 or cannabis concentrate, combined with other ingredients, that is
11 intended for use or consumption through ingestion, including
12 sublingual or oral absorption;

13 (4) "Cannabis plant material" has the same meaning as provided in

14 section 21a-279a;]

15 [(5)] (2) "Cannabis retailer" means "retailer", as defined in section 21a-
16 420;

17 [(6)] (3) "Consumer" has the same meaning as provided in section 21a-
18 420;

19 [(7)] (4) "Cultivator" has the same meaning as provided in section 21a-
20 420;

21 [(8)] (5) "Delivery service" has the same meaning as provided in
22 section 21a-420;

23 [(9)] (6) "Dispensary facility" has the same meaning as provided in
24 section 21a-420;

25 [(10)] (7) "Food and beverage manufacturer" has the same meaning as
26 provided in section 21a-420;

27 [(11)] (8) "Hybrid retailer" has the same meaning as provided in
28 section 21a-420;

29 [(12)] (9) "Micro-cultivator" has the same meaning as provided in
30 section 21a-420;

31 [(13)] (10) "Municipality" has the same meaning as provided in
32 section 21a-420;

33 [(14)] (11) "Palliative use" has the same meaning as provided in
34 section 21a-408;

35 [(15)] (12) "Producer" has the same meaning as provided in section
36 21a-420;

37 [(16)] (13) "Product manufacturer" has the same meaning as provided
38 in section 21a-420;

39 [(17)] (14) "Product packager" has the same meaning as provided in

40 section 21a-420; and

41 [(18) "Social Equity Council" has the same meaning as provided in
42 section 21a-420;

43 (19) "Total THC" has the same meaning as provided in section 21a-
44 240; and]

45 [(20)] (15) "Transporter" has the same meaning as provided in section
46 21a-420.

47 (b) (1) For the privilege of making any sales of cannabis in this state,
48 a tax is hereby imposed on each cannabis retailer, hybrid retailer or
49 micro-cultivator at the [following rates:] rate of ten and seventy-five-
50 hundredths per cent of the gross receipts from the sale of cannabis.

51 [(A) Cannabis plant material, at the rate of six hundred twenty-five-
52 thousandths of one cent per milligram of total THC, as reflected on the
53 product label;

54 (B) Cannabis edible products, at the rate of two and seventy-five-
55 hundredths cents per milligram of total THC, as reflected on the product
56 label; and

57 (C) Cannabis, other than cannabis plant material or cannabis edible
58 products, at the rate of nine-tenths of one cent per milligram of total
59 THC, as reflected on the product label.]

60 (2) The tax under this section:

61 (A) Shall be collected from the consumer, except as provided under
62 subparagraphs (B) and (D) of this subdivision, by the cannabis retailer,
63 hybrid retailer or micro-cultivator at the time of sale and such tax
64 reimbursement, termed "tax" in this section, shall be paid by the
65 consumer to the cannabis retailer, hybrid retailer or micro-cultivator.
66 Each cannabis retailer, hybrid retailer or micro-cultivator shall collect
67 from the consumer the full amount of the tax imposed by this section or

68 an amount equal to the average equivalent thereof to the nearest amount
69 practicable. Such tax shall be a debt from the consumer to the cannabis
70 retailer, hybrid retailer or micro-cultivator, when so added to the
71 original sales price, and shall be recoverable at law in the same manner
72 as other debts except as provided in section 12-432a; [.]

73 (B) Shall not apply to the sale of cannabis for palliative use;

74 (C) Shall not apply to the transfer of cannabis to a transporter for
75 transport to any other cultivator, micro-cultivator, food and beverage
76 manufacturer, product manufacturer, product packager, dispensary
77 facility, cannabis retailer, hybrid retailer or producer;

78 (D) Shall not apply to the sale of cannabis by a delivery service to a
79 consumer;

80 (E) Shall be in addition to the taxes imposed under section 12-330mm
81 and chapter 219; and

82 (F) When so collected, shall be deemed to be a special fund in trust
83 for the state until remitted to the state.

84 (c) On or before the last day of each month in which a cannabis
85 retailer, hybrid retailer or micro-cultivator may legally sell cannabis
86 other than cannabis for palliative use, each such cannabis retailer,
87 hybrid retailer or micro-cultivator shall file a return with the
88 Department of Revenue Services. Such return shall be in such form and
89 contain such information as the Commissioner of Revenue Services
90 prescribes as necessary for administration of the tax under this section
91 and shall be accompanied by a payment of the amount of the tax shown
92 to be due thereon. Each cannabis retailer, hybrid retailer and micro-
93 cultivator shall file such return electronically with the department and
94 make such payment by electronic funds transfer in the manner provided
95 by chapter 228g, to the extent possible.

96 (d) If any cannabis retailer, hybrid retailer or micro-cultivator fails to
97 pay the amount of tax reported due on its return within the time

98 specified under this section, there shall be imposed a penalty equal to
99 twenty-five per cent of such amount due and unpaid, or two hundred
100 fifty dollars, whichever is greater. Such amount shall bear interest at the
101 rate of one per cent per month or fraction thereof, from the due date of
102 such tax until the date of payment. Subject to the provisions of section
103 12-3a, the commissioner may waive all or part of the penalties provided
104 under this section when it is proven to the commissioner's satisfaction
105 that the failure to pay any tax was due to reasonable cause and was not
106 intentional or due to neglect. Any penalty that is waived shall be applied
107 as a credit against tax liabilities owed by the cannabis retailer, hybrid
108 retailer or micro-cultivator.

109 (e) Each person, other than a cannabis retailer, hybrid retailer or
110 micro-cultivator, who is required, on behalf of such cannabis retailer,
111 hybrid retailer or micro-cultivator, to collect, truthfully account for and
112 pay over a tax imposed on such cannabis retailer, hybrid retailer or
113 micro-cultivator under this section and who wilfully fails to collect,
114 truthfully account for and pay over such tax or who wilfully attempts in
115 any manner to evade or defeat the tax or the payment thereof, shall, in
116 addition to other penalties provided by law, be liable for a penalty equal
117 to the total amount of the tax evaded, or not collected, or not accounted
118 for and paid over, including any penalty or interest attributable to such
119 wilful failure to collect or truthfully account for and pay over such tax
120 or such wilful attempt to evade or defeat such tax, provided such
121 penalty shall only be imposed against such person in the event that such
122 tax, penalty or interest cannot otherwise be collected from such cannabis
123 retailer, hybrid retailer or micro-cultivator. The amount of such penalty
124 with respect to which a person may be personally liable under this
125 section shall be collected in accordance with the provisions of section
126 12-555a and any amount so collected shall be allowed as a credit against
127 the amount of such tax, penalty or interest due and owing from the
128 cannabis retailer, hybrid retailer or micro-cultivator. The dissolution of
129 the cannabis retailer, hybrid retailer or micro-cultivator shall not
130 discharge any person in relation to any personal liability under this
131 section for wilful failure to collect or truthfully account for and pay over

132 such tax or for a wilful attempt to evade or defeat such tax prior to
133 dissolution, except as otherwise provided in this section. For purposes
134 of this section, "person" includes any individual, corporation, limited
135 liability company or partnership and any officer or employee of any
136 corporation, including a dissolved corporation, and a member of or
137 employee of any partnership or limited liability company who, as such
138 officer, employee or member, is under a duty to file a tax return under
139 this section on behalf of a cannabis retailer, hybrid retailer or micro-
140 cultivator or to collect or truthfully account for and pay over a tax
141 imposed under this section on behalf of such cannabis retailer, hybrid
142 retailer or micro-cultivator.

143 (f) The provisions of sections 12-548, 12-551 to 12-554, inclusive, and
144 12-555a shall apply to the provisions of this section in the same manner
145 and with the same force and effect as if the language of said sections had
146 been incorporated in full into this section and had expressly referred to
147 the tax under this section, except to the extent that any provision is
148 inconsistent with a provision in this section.

149 (g) The commissioner shall not issue a refund of any tax paid by a
150 cannabis retailer, hybrid retailer or micro-cultivator under this section.

151 (h) The commissioner may adopt regulations, in accordance with the
152 provisions of chapter 54, to implement the provisions of this section and
153 sections 12-330mm and 12-330nn. Notwithstanding the provisions of
154 sections 4-168 to 4-172, inclusive, prior to adopting any such regulations,
155 the commissioner shall issue policies and procedures, which shall have
156 the force and effect of law, to implement the [taxes] tax imposed under
157 this section and sections 12-330mm and 12-330nn. At least fifteen days
158 prior to the effective date of any policy or procedure issued pursuant to
159 this subsection, the commissioner shall post such policy or procedure
160 on the department's Internet web site and submit such policy or
161 procedure to the Secretary of the State for posting on the eRegulations
162 System. Any such policy or procedure shall no longer be effective upon
163 the adoption of such policy or procedure as a final regulation in

164 accordance with the provisions of chapter 54 or forty-eight months of
165 July 1, 2021, whichever is earlier.

166 (i) The tax received by the state under this section shall be deposited
167 as follows:

168 (1) For the fiscal years ending June 30, 2022, and June 30, 2023, in the
169 cannabis regulatory and investment account established under section
170 21a-420f of the general statutes, revision of 1958, revised to January 1,
171 2025;

172 (2) For the fiscal years ending June 30, 2024, and June 30, 2025, sixty
173 per cent of such tax received in the Cannabis Social Equity and
174 Innovation Fund established under section 21a-420f of the general
175 statutes, revision of 1958, revised to January 1, 2025, twenty-five per cent
176 of such tax received in the Cannabis Prevention and Recovery Services
177 Fund established under section 21a-420f of the general statutes, revision
178 of 1958, revised to January 1, 2025, and fifteen per cent in the General
179 Fund;

180 (3) For the fiscal year ending June 30, 2026, sixty per cent of such tax
181 received in the social equity and innovation account established under
182 section 21a-420f, twenty-five per cent of such tax received in the
183 Cannabis Prevention and Recovery Services Fund established under
184 section 21a-420f and fifteen per cent in the General Fund;

185 (4) For the fiscal years ending June 30, 2027, and June 30, 2028, sixty-
186 five per cent of such tax received in the social equity and innovation
187 account established under section 21a-420f, twenty-five per cent of such
188 tax received in the Cannabis Prevention and Recovery Services Fund
189 established under section 21a-420f and ten per cent in the General Fund;
190 and

191 (5) For the fiscal year ending June 30, 2029, and each fiscal year
192 thereafter, seventy-five per cent of such tax received in the social equity
193 and innovation account established under section 21a-420f and twenty-

194 five per cent of such tax received in the Cannabis Prevention and
195 Recovery Services Fund established under section 21a-420f.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026, and applicable to sales occurring on or after October 1, 2026</i>	12-330ll

Statement of Purpose:

To replace the cannabis tax based on total THC with an excise tax of ten and seventy-five-hundredths per cent.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. ROJAS, 9th Dist.

H.B. 5109