



General Assembly

**Substitute Bill No. 5109**

February Session, 2026



**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2 statutes is repealed and the following is substituted in lieu thereof  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] seventy per cent of such tax received in the social equity and  
187 innovation account established under section 21a-420f, twenty-five per  
188 cent of such tax received in the Cannabis Prevention and Recovery  
189 Services Fund established under section 21a-420f and [ten] five per cent  
190 in the General Fund; 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
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**FIN**      *Joint Favorable Subst.*