

	MUNICIPALITY OF ANCHORAGE	
	Finance Dep't., Treasury Div. Fax: (907) 343-6677	<u>Mailing Address</u> P.O. Box 196650 Anchorage, AK 99519-6650

AMC 12.50 Retail Sales Tax on Marijuana and Marijuana Products
INFORMATIONAL #2 **Updated: 3/16/2017**
Industrial Hemp

Is industrial hemp exempt from the Retail Marijuana Sales Tax?

AMC 12.50.010 defines marijuana as *“all parts of the plant of the genus Cannabis...”* However, industrial hemp is not considered marijuana. Therefore the Municipality of Anchorage’s position is that **industrial hemp is not subject to the retail marijuana sales tax.**

What is industrial hemp?

Industrial Hemp refers to the non-psychoactive (less than 0.3% THC) varieties of Cannabis sativa L. Both hemp and marijuana come from the same cannabis species but are genetically distinct. Industrial hemp has no value as a recreational drug due to its non-psychoactive properties. Industrial hemp is usually grown outdoors, in a variety of climates and soil types.

What are uses of industrial hemp?

Industrial hemp has a multitude of uses. Unlike marijuana, which is harvested for the buds, the entire hemp plant can be harvested. Hemp stalk can be used to make biomass energy, paper products, clothes, insulation, plastic and more. Hemp seed can be used to make health food, organic body care and fuel.

Why is the MOA excluding industrial hemp?

Industrial hemp, as defined in U.S. Code Title 7 § 5940(b)(2), distinguishes marijuana from industrial hemp. Colorado has already followed suit by enacting a state law allowing commercial hemp cultivation. Senate Bill 8, an act relating to the regulation and production of industrial hemp, was introduced into the Alaska State Legislature in 2015 and died when the 29th Legislature ended. The proposal was refiled as S.B. 6 in the 30th Legislature. Therefore, MOA is also following suit by excluding industrial hemp from the retail marijuana sales tax due to its minimal THC content.

If you have any questions about this matter, please contact the Treasury Division of the Municipality of Anchorage at the numbers listed below between 8:00 a.m. and 5:00 p.m., Monday through Friday, except on holidays.

For more information, please visit our website at: www.muni.org/treasury and click the “Marijuana Tax” link, or contact us: Supervisor (907) 343-6965, Enforcement Officers (907) 343-6686, 6757, 6634, 6676 or 6964