

PA Cannabis Legislation to Watch in 2020

The new year could bring big changes in Pennsylvania for cannabis businesses and individuals who use cannabis products. Here are some of the state bills introduced in 2019 to keep an eye on in 2020.

S.B. 350

This bill would permit recreational use of cannabis by adults over the age of 21 but would not permit use of cannabis in public. Adults over the age of 21 could use cannabis in certain designated places, and businesses could apply for a permit to allow cannabis use on their premises. Permits would be available for growers, microgrowers, processors, dispensaries, and also for growing small amounts of cannabis at home. The stated intention of the bill is to respond to the growing public support for legalization of recreational cannabis use and to reduce the resources used each year in arresting and incarcerating people for small amounts of cannabis, which disproportionately affects people who are poor and people of color. The bill was referred to the Agricultural and Rural Affairs committee on October 31, 2019. A draft of the bill is available [here](#).

H.B. 1899

The bill is intended to respond to similar concerns addressed by S.B. 350. However, the proposed legislation would legalize the use cannabis by adults over age 21 through a system similar to the state store system for alcohol. Recreational cannabis would be able to be legally purchased only from stores run by the state Liquor Control Board, supplied with cannabis procured from licensed cannabis cultivation facilities. Consumers would be able to grow or possess a small number of plants, but would not be able to consume cannabis in public. The state-sponsored system is intended to attempt to prevent large corporations from taking over the cannabis industry. The proposal also includes a 10 percent tax on the gross receipts of cannabis cultivation facilities, and a 19 percent excise tax on purchases of cannabis by consumers. The bill was referred to the House Judiciary committee on September 30, 2019. A draft of the bill is available [here](#).

S.B. 907

This bill would amend a portion of Pennsylvania's state tax code to decouple from IRC Section 280E. The proposed amendment to the state income tax provisions is intended to allow business deductions for medical cannabis businesses. The ultimate goal of the bill is to let medical cannabis businesses operating in Pennsylvania deduct the normal costs of doing business, such as rent, employees' wages, security, and marketing. The bill was referred to the Senate Finance committee in October, 2019. A draft of the bill is available [here](#).



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Industry Sectors

- Cannabis