

Senate Study Bill 1029 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S OFFICE
OF DRUG CONTROL POLICY
BILL)

A BILL FOR

1 An Act relating to the excise tax on unlawful dealing in
2 certain substances by adding new taxable substances and tax
3 rates, modifying the taxation and rates of currently taxable
4 substances, and making penalties applicable.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 453B.1, subsection 3, paragraph a, Code
2 2013, is amended by adding the following new subparagraphs:

3 NEW SUBPARAGRAPH. (5) One or more grams of an imitation
4 controlled substance or a controlled substance listed in
5 section 124.204, subsection 4, paragraph "ai", or subsection 6,
6 paragraph "i".

7 NEW SUBPARAGRAPH. (6) One or more dosage units of an
8 imitation controlled substance or a controlled substance listed
9 in section 124.204, subsection 4, paragraph "ai", or subsection
10 6, paragraph "i", which is not sold by weight.

11 Sec. 2. Section 453B.1, Code 2013, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 6A. "*Imitation controlled substance*" means
14 the same as defined in section 124A.2.

15 Sec. 3. Section 453B.1, subsection 10, Code 2013, is amended
16 to read as follows:

17 10. "*Taxable substance*" means a controlled substance, a
18 counterfeit substance, a simulated controlled substance, an
19 imitation controlled substance, or marijuana, or a mixture of
20 materials that contains a controlled substance, counterfeit
21 substance, simulated controlled substance, imitation controlled
22 substance, or marijuana.

23 Sec. 4. Section 453B.4, Code 2013, is amended to read as
24 follows:

25 **453B.4 Measurements.**

26 For purposes of measurements under this chapter, the
27 weight of a taxable substance shall be measured by its weight
28 in metric grams in the dealer's possession. If a taxable
29 substance consists of a mixture containing both marijuana and
30 another substance or combination of substances listed in the
31 definition of taxable substance in section 453B.1, the taxable
32 substance shall be taxed under section 453B.7, subsection 2,
33 unless the mixture contains a taxable substance listed in
34 section 453B.1, subsection 3, paragraph "a", subparagraph
35 (5), in which case the taxable substance shall be taxed under

1 section 453B.7, subsection 5.

2 Sec. 5. Section 453B.7, Code 2013, is amended to read as
3 follows:

4 **453B.7 Tax imposed — rate of tax.**

5 An excise tax is imposed on dealers at the following rates:

6 1. On each gram of processed marijuana, or each portion of a
7 gram, five eight dollars.

8 2. On each gram or portion of a gram of any taxable
9 substance sold by weight other than marijuana, ~~two hundred~~
10 fifty an imitation controlled substance, or a controlled
11 substance listed in section 124.204, subsection 4, paragraph
12 "ai", or subsection 6, paragraph "i", four hundred dollars.

13 3. On each unprocessed marijuana plant, ~~seven hundred fifty~~
14 one thousand two hundred dollars.

15 4. On each ten dosage units of any taxable substance, other
16 than unprocessed marijuana plants, an imitation controlled
17 substance, or a controlled substance listed in section 124.204,
18 subsection 4, paragraph "ai", or subsection 6, paragraph "i",
19 that is not sold by weight, or portion thereof, ~~four~~ six
20 hundred forty dollars.

21 5. On each gram or portion of a gram of an imitation
22 controlled substance, or a controlled substance listed in
23 section 124.204, subsection 4, paragraph "ai", or subsection 6,
24 paragraph "i", that is sold by weight, one thousand two hundred
25 dollars.

26 6. On each dosage unit of an imitation controlled substance,
27 or a controlled substance listed in section 124.204, subsection
28 4, paragraph "ai", or section 6, paragraph "i", that is not
29 sold by weight, or portion thereof, one thousand two hundred
30 dollars.

31 EXPLANATION

32 This bill relates to the excise tax on unlawful dealing in
33 certain substances.

34 The bill adds imitation controlled substances, as defined
35 in Code section 124A.2, to the list of taxable substances

1 and rates in Code section 453B.7, and amends the definition
2 of "dealer" to include a person who ships, transports, or
3 imports into this state or acquires, purchases, possesses,
4 manufactures, or produces in this state one or more grams or
5 dosage units of an imitation controlled substance.

6 The definition of "dealer" is also amended to lower from
7 seven grams or 10 dosage units to one gram or one dosage
8 unit, the threshold at which a person is labeled a "dealer"
9 if that person ships, transports, or imports into this state
10 or acquires, purchases, possesses, manufactures, or produces
11 in this state a controlled substance listed in Code section
12 124.204, subsection 4, paragraph "ai", (certain hallucinogenic
13 substances), or subsection 6, paragraph "i", (certain
14 stimulants).

15 The bill amends the rates of tax on dealers to tax imitation
16 controlled substances and the controlled substances listed in
17 Code section 124.204, subsection 4, paragraph "ai", (certain
18 hallucinogenic substances), and subsection 6, paragraph "i",
19 (certain stimulants), at \$1,200 per gram or dosage unit, and
20 increases the other rates of tax as follows: On each gram
21 of processed marijuana, from \$5 to \$8; on each unprocessed
22 marijuana plant, from \$750 to \$1,200; on each gram of all other
23 taxable substances, from \$250 to \$400; and on each 10 dosage
24 units of all other taxable substances, from \$400 to \$640.

25 The bill also amends Code section 453B.4 to require that
26 any mixture of taxable substances containing an imitation
27 controlled substance or a controlled substance listed in
28 Code section 124.204, subsection 4, paragraph "ai", (certain
29 hallucinogenic substances), and subsection 6, paragraph "i",
30 (certain stimulants), shall be taxed at \$1,200 per gram instead
31 of \$400 per gram.

32 Under current law, dealers who violate Code chapter 453B are
33 subject to the tax imposed in the Code chapter and a penalty
34 equal to the tax. In addition, dealers who possess taxable
35 substances without a tax stamp or who create counterfeit tax

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1 stamps or possess a previously used or expired tax stamp are
2 guilty of a class "D" felony. A class "D" felony is punishable
3 by confinement for no more than five years and a fine of at
4 least \$750 but no more than \$7,500.