

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

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BILL #: [CS/HB 7029](#) [PCB HAT 25-02](#)

TITLE: Taxation of Hemp Consumable THC Products

SPONSOR(S): Salzman

COMPANION BILL: None

LINKED BILLS: [HB 7027](#) Salzman, Trabulsy

RELATED BILLS: None

Committee References

[Orig. Comm.: Housing, Agriculture
& Tourism](#)
15 Y, 0 N



[Budget](#)
28 Y, 0 N, As CS



[Commerce](#)

SUMMARY

Effect of the Bill:

The bill creates a new excise tax on the retail sale of hemp consumable THC products. The tax for such products is 15% of the sales price when sold at retail.

Fiscal or Economic Impact:

The bill will have an indeterminate recurring positive impact on General Revenue and state trust funds.

Extraordinary Vote Required for Passage:

The bill requires a two-thirds vote of the membership of both houses of the Legislature for final passage.

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ANALYSIS

EFFECT OF THE BILL:

The bill creates a new excise [tax](#) on the retail sale of [hemp consumable THC products](#). The tax on such products is 15% of the sales price of such products when sold at retail. (Section [3](#))

“Hemp consumable THC product” is defined as a substance or compound intended for ingestion, containing more than trace amounts of tetrahydrocannabinol (THC) derived from [hemp](#) or any other source, or for inhalation which is derived from or contains tetrahydrocannabinol derived from hemp or any other source, and which does not contain controlled substances. (Section [2](#))

The term does not include synthetic cannabidiol or seeds or seed-derived ingredients that are generally recognized as safe by the United States Food and Drug Administration or marijuana used for medical purposes.

Article VII, s. 19(a) of the Florida Constitution requires a two-thirds vote of the membership of each house to impose or authorize a new tax or fee. The bill creates a new tax and, therefore, must be approved by two-thirds of the membership of each house to be presented to the Governor for approval.

The bill requires persons seeking to engage in business as a retail seller of hemp consumable THC products to register with the Department of Agriculture and Consumer Services (DACS) as a dealer. (Section [4](#))

The bill provides that the first \$6 million collected on the taxes for hemp consumable THC products must be deposited in DACS' General Inspection Trust Fund for enforcement of the state hemp program and the testing of hemp consumable THC products. The remainder must be deposited into the General Revenue Fund. (Section [6](#))

The bill provides the legislative framework for administration of the tax, including specifying return filing and payment requirements for dealers, specifying the records required to be kept by dealers, providing DACS authority

STORAGE NAME: h7029.BUC

DATE: 4/16/2025

to audit the books and records of dealers to ensure compliance with the provisions of the bill and specifying other powers provided to DACS for the administration and enforcement of the tax created by the bill. (Multiple Sections)

The bill provides that it takes effect on January 1, 2026, if HB 7027 or similar legislation becomes law, except as otherwise provided in the bill. (Section [17](#))

RULEMAKING:

The bill authorizes DACS to adopt both emergency and permanent rules to implement and administer the provisions of the bill.

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The Revenue Estimating Conference has not estimated the potential impacts of the bill on state revenues. Staff estimates that the bill will have an indeterminate recurring positive impact on General Revenue and state trust funds.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Hemp](#)

Section 1004.4473, F.S., authorized DACS to oversee the development of an **industrial hemp pilot projects** for the Institute of Food and Agricultural Sciences (IFAS) at the University of Florida, Florida Agricultural and Mechanical University, any land grant university in the state that has a college of agriculture, and any Florida College System institution or state university that has an established agriculture, engineering, or pharmacy program.¹

The purpose of the pilot projects was to cultivate, process, test, research, create, and market safe and effective commercial applications for industrial hemp in the agricultural sector in this state.²

In the Agricultural Improvement Act of 2018 (2018 Farm Bill), the U.S. Congress legalized industrial hemp as an agricultural product by removing hemp's classification as a controlled substance.³ The 2018 Farm Bill defined "**hemp**" to mean:

[T]he plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.⁴

The 2018 Farm Bill allows a state department of agriculture or an Indian tribe to submit a plan to the United States Secretary of Agriculture and apply for primary regulatory authority over the production of hemp in their state or tribal territory.⁵

In 2019, the Legislature created the state hemp program within DACS to regulate the cultivation, distribution, and sale of hemp in Florida.⁶

¹ Section [1004.4473\(2\)\(a\)](#), F.S.

² Fla. Admin. Code R. [5B-57.013](#).

³ Agricultural Improvement Act of 2018, Pub. L. No. 115-334, s. 12619, 132 Stat. 409 (2018) (codified at [21 U.S.C 802\(16\)](#)).

⁴ Agricultural Improvement Act of 2018, Pub. L. No. 115-334, s. 10113, 132 Stat. 409 (2018) (codified at [7 U.S.C. s. 1639o](#)).

⁵ Agricultural Improvement Act of 2018, Pub. L. No. 115-334, s. 10113, 132 Stat. 409 (2018) (codified at [7 U.S.C. s. 1639p](#)).

Section [581.217\(3\)\(e\), F.S.](#), defines “hemp” to mean:

[T]he plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof, and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers thereof, whether growing or not, that has a total delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry-weight basis, with the exemption of **hemp extract, which may not exceed 0.3 percent total delta-9-tetrahydrocannabinol on a wet-weight basis.**

[Consumable Hemp](#)

The state hemp program defines “**hemp extract**” to mean

[A] substance or compound intended for **ingestion**, containing more than trace amounts of **cannabinoid**, or for **inhalation** which is derived from or contains hemp, and which does not contain other controlled substances.” The term does not include synthetic cannabidiol or seeds or seed-derived ingredients that are generally recognized as safe by the United States Food and Drug Administration. Products that are intended for inhalation and contain hemp extract may not be sold to a person who is under 21 years of age.⁷

Section [500.03\(1\)\(n\), F.S.](#), provides that “hemp extract” **is a food product** for human ingestion and is subject to the Florida Food Safety Act.

DACS is the agency responsible for the enforcement of the production, manufacture, transportation, and sale of food. DACS’s Division of Food Safety (Division) is directly responsible for assuring the public of a safe, wholesome, and properly represented food supply.⁸

The Division accomplishes this through the permitting and inspection of food establishments, the inspection and evaluation of food products, and the performance of specialized laboratory testing on a variety of food products sold or produced in Florida. The Division also proactively monitors food from manufacturing and distribution to retail.

DACS, as part of its responsibilities, can impose a variety of disciplinary actions against food establishments for specified violations.⁹ This includes, but is not limited to, revoking or suspending the permit of a food establishment¹⁰ or imposing Class III¹¹ administrative fines.¹² DACS, or its duly authorized agent, can also issue and enforce a stop-sale, stop-use, removal, or hold order if DACS or its agent finds that any food, food processing equipment, food processing area, or food storage area is in violation of the Florida Food Safety Act.¹³

[Taxes](#)

Currently, there are no excise taxes on the sale of consumable hemp products in Florida. However, 23 states have enacted a tax on the sales of products containing THC.¹⁴

⁶ Section [581.217](#), F.S.

⁷ Section [581.217\(7\)\(d\)](#), F.S. (emphasis supplied)

⁸ DACS, *Division of Food Safety*, <https://www.fdacs.gov/Divisions-Offices/Food-Safety> (last visited March 29, 2025).

⁹ Section [500.121\(1\)](#), F.S.

¹⁰ *Id.*

¹¹ The fine for each Class III violation cannot exceed \$10,000. Section [570.971\(1\)\(c\)](#), F.S.

¹² Section [500.121\(1\)](#), F.S.

¹³ Section [500.172\(1\)](#), F.S.

¹⁴ Adam Hoffer and Jacob Macumber-Rosin, *Recreational Marijuana Taxes by State, 2024*, <https://taxfoundation.org/data/all/state/recreational-marijuana-taxes/> (last visited March 29, 2025).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Orig. Comm.: Housing, Agriculture & Tourism Subcommittee	15 Y, 0 N	4/1/2025	Curtin	Brackett
Budget Committee	28 Y, 0 N, As CS	4/16/2025	Pridgeon	Trexler

THE CHANGES ADOPTED BY THE
COMMITTEE:

- Removes the wholesale excise tax on hemp consumable THC products, established to be 60% of the wholesale price except beverages; \$2.25 per gallon for beverages sold in bulk; and \$0.29 per pint or fraction thereof for beverages sold in containers of less than one gallon.
- Adds a retail excise tax on hemp consumable THC products, established to be 15% of the sales price.
- Adds a framework for administration of the tax, including specifying return filing and payment requirements for dealers, specifying the records required to be kept by dealers, providing DACS authority to audit the books and records of dealers to ensure compliance with the provisions of the bill and specifying other powers provided to DACS for the administration and enforcement of the tax.
- Changes the effective date from the same date that HB 7027 or similar legislation takes effect to January 1, 2026, contingent upon HB 7027 or similar legislation becoming law, except as otherwise provided in the bill.

[Commerce Committee](#)

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.
