

116TH CONGRESS  
1ST SESSION

# S. 422

To amend the Internal Revenue Code of 1986 to allow deductions and credits relating to expenditures in connection with marijuana sales conducted in compliance with State law.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 2019

Mr. WYDEN (for himself, Mr. PAUL, Mr. BENNET, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to allow deductions and credits relating to expenditures in connection with marijuana sales conducted in compliance with State law.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Tax  
5 Equity Act of 2019”.

1 **SEC. 2. ALLOWANCE OF DEDUCTIONS AND CREDITS RELAT-**  
2 **ING TO EXPENDITURES IN CONNECTION**  
3 **WITH MARIJUANA SALES CONDUCTED IN**  
4 **COMPLIANCE WITH STATE LAW.**

5 (a) **IN GENERAL.**—Section 280E of the Internal Rev-  
6 enue Code of 1986 is amended by inserting before the pe-  
7 riod at the end the following: “, unless such trade or busi-  
8 ness consists of marijuana sales conducted in compliance  
9 with State law”.

10 (b) **EFFECTIVE DATE.**—The amendment made by  
11 this section shall apply with respect to taxable years end-  
12 ing after the date of the enactment of this Act.

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