

119TH CONGRESS
1ST SESSION

S. 471

To amend the Internal Revenue Code of 1986 to maintain the prohibition on allowing any deduction or credit associated with a trade or business involved in trafficking marijuana.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 6 (legislative day, FEBRUARY 5), 2025

Mr. LANKFORD (for himself and Mr. RICKETTS) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to maintain the prohibition on allowing any deduction or credit associated with a trade or business involved in trafficking marijuana.

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 “No Deductions for
5 Marijuana Businesses Act”.

1 **SEC. 2. EXPENDITURES IN CONNECTION WITH THE SALE**
 2 **OF MARIJUANA.**

3 (a) IN GENERAL.—Section 280E of the Internal Rev-
 4 enue Code of 1986 is amended to read as follows:

5 **“SEC. 280E. EXPENDITURES IN CONNECTION WITH THE IL-**
 6 **LEGAL SALE OF DRUGS.**

7 “No deduction or credit shall be allowed for any
 8 amount paid or incurred during the taxable year in car-
 9 rying on any trade or business if such trade or business
 10 (or the activities which comprise such trade or business)
 11 consists of trafficking in—

12 “(1) marijuana (as defined in section 102(16)
 13 of the Controlled Substances Act (21 U.S.C.
 14 802(16))), or

15 “(2) controlled substances (within the meaning
 16 of schedule I and II of the Controlled Substances
 17 Act),

18 which is prohibited by Federal law or the law of any State
 19 in which such trade or business is conducted.”.

20 (b) EFFECTIVE DATE.—The amendment made by
 21 this section shall apply to amounts paid or incurred after
 22 the date of the enactment of this Act in taxable years end-
 23 ing after such date.

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