

# **New Law Permits Breweries to Sell Hemp THC-Infused Drinks**

## **Headflyer Brewing in Northeast Minneapolis Now Serving Hemp-Derived THC-Infused Drinks on Tap**

In an exciting development for cannabis enthusiasts, Headflyer Brewing in northeast Minneapolis is now serving hemp-derived, THC-infused drinks on tap. This change comes after a new law, effective July 1, allows taprooms to serve these beverages in this manner. Previously, customers could only purchase them in cans.

### **New Law Expands Taproom Offerings**

The new statute, approved by the legislature this session, permits taprooms to serve THC-infused drinks directly on tap, provided they display the necessary information typically required on a label. Dan Schnabel, taproom manager at Headflyer Brewing, highlighted the team's swift move to offer one of their THC drinks on tap in anticipation of the law.

### **Consumer-Friendly Options**

Schnabel emphasized the benefits of offering THC drinks on tap:

“Having it on tap gives us so many different options for our consumers to taste it, to try it, to enjoy one while they're here on site,” he said. “It's more approachable because not everybody necessarily wants to come in and purchase an entire can and drink an entire can.”

### **Evolution of THC Edibles in Minnesota**

This change marks the latest development since Minnesota lawmakers first legalized THC edibles two years ago. These edibles must be derived from hemp, a cousin of marijuana's cannabis plant, and contain no more than 5 milligrams per serving and 50 milligrams per package. Last summer, liquor stores were also allowed to start selling these products, accompanied by a 10% gross receipts sales tax.

### **Economic Impact**

The Minnesota Department of Revenue reported that the state garnered over \$11.5 million in revenue from THC product sales between July 2022 and May 2023. The filing deadline for June is at the end of the month. This revenue is expected to increase with the forthcoming legal marijuana sales, set to begin next year.

### **Office of Cannabis Management and Business Compliance**

As of mid-June, nearly 3,900 businesses have registered to sell hemp-derived products with the new Office of Cannabis Management. However, only 1,873 businesses have paid the required gross receipts tax. A spokesperson for the Department of Revenue explained that this discrepancy is due to some businesses being exempt from the tax, such as wholesalers, businesses that have ceased operations, those not currently making sales, and others not filing the taxes they should.

### **Business Growth and Market Expansion**

Schnabel noted that the ability to make and sell THC drinks has been beneficial for Headflyer Brewing, especially for customers seeking alternatives to beer. The interest in these products has grown steadily, leading to increased distribution across various outlets.

“We keep getting more and more accounts as people become more familiar with it — whether they’re local chains, mom and pop shops or even national liquor stores are starting to carry our product,” Schnabel said.

### **Future Projections for Minnesota’s Cannabis Market**

When legal marijuana sales commence, these products will also be subject to a 10% gross receipts tax. According to an analysis by Vicente LLP, a cannabis firm, Minnesota could see annual sales reach \$1.5 billion by the end of the decade.

Andrew Livingston, director of economics and research at Vicente, pointed out that Minnesota’s established [hemp edible market](#) positions the state uniquely as it enters a new era of legalization.

“I think that’s a way that Minnesota will advance faster than other states of a similar size nature because of the way that hemp program has kind of primed consumers for what will be a robust and interesting regulated marketplace,” Livingston said.

With the new law allowing THC-infused drinks on tap, Headflyer Brewing is at the forefront of Minnesota’s evolving cannabis market. As the state prepares for the broader legalization of cannabis, businesses like Headflyer are setting the stage for a dynamic and growing industry.

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