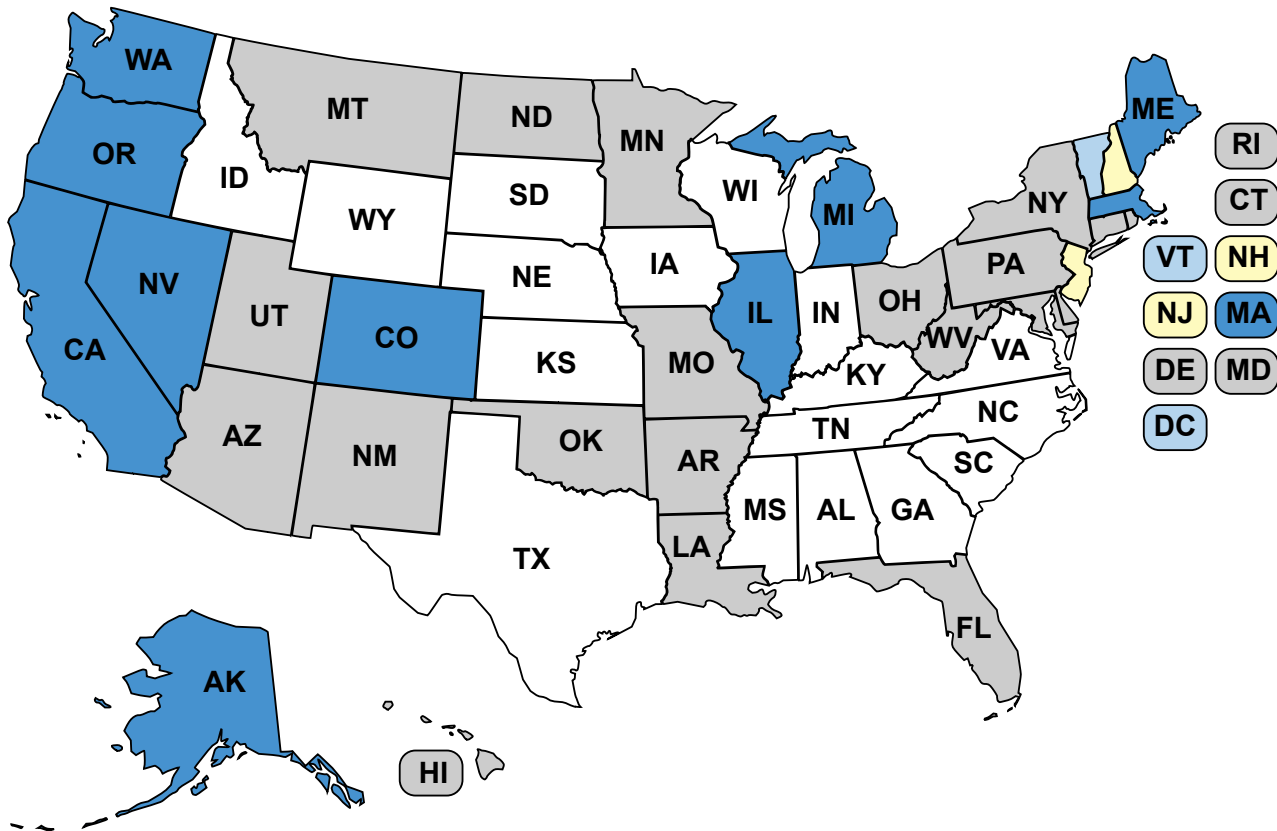


## Status of State Taxation/Sales of Marijuana



## State Marijuana/Cannabis Taxes - 2020

## Alaska

Legalization was approved with Ballot Measure 2 in 2014. The first cultivation license was granted in July 2016, with retail sales beginning in October 2016

### Taxes:

- Excise tax of \$50/ounce for flowers
- Excise tax of \$15/ounce for stems and leaves
- Excise tax of \$25/ounce for immature flowers/buds (added 10/2018)

FY 2017 Revenues \$1.7 million.

**Agencies Administering:**

Licensing and Tracking: Marijuana Control Board  
<https://www.commerce.alaska.gov/web/AMCO>

Tax Administration: Alaska Dept. of Revenue  
<http://tax.alaska.gov/>

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## California

Legalization was approved with Proposition 64 in 2016. Personal use and growth were legal beginning in November 2016. Retail sales began January 2018

### Taxes:

- Cultivation Tax of \$9.25/ounce for flowers [\$9.65 after 1/1/20]  
\$2.75/ounce for leaves [\$2.87 after 1/1/20]  
Fresh plant material \$1.29/ounce [\$1.35 after 1/1/20]
- Excise tax of 15% of Retail Sales
- State retail sales tax applies (7.25% plus local taxes)

notes, medical marijuana was exempted from the state sales tax on November 2016 by Prop. 64.

FY 2018 Revenues (two quarters) \$134 million.

### Agencies Administering:

Tracking and Licensing: CalCannabis Cultivations Licensing (CA Dept. of Food & Agriculture  
<http://cannabis.cdfa.ca.gov/>

Tax Administration: California Dept. of Tax and Fee Administration  
<https://www.cdtfa.ca.gov/>

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## Colorado

Legalization began when voters approved Constitutional Amendment 64 in 2012. Colorado became the first state to begin legal sales when retail stores opened in January 2014.

### Taxes:

- Excise Tax of 15% of Average Market Rate, sales to retail stores
- Retail Tax of 15% (10% before July 2017) - local government receive 10% of this tax.
- (2.9% retail sales tax before July 2017)
- Local Option Retail Tax up to 8%

FY 2018 State Revenues \$251 million.

### Agencies Administering:

Tracking, Licensing and Taxes: Colorado Dept. of Revenue  
<https://www.colorado.gov/pacific/enforcement/marijuanaenforcement>  
<https://www.colorado.gov/pacific/revenue>

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## District of Columbia

Voters approved Ballot Initiative 71 in 2014 that allowed possession of less than two ounces of marijuana. However, Federal law does NOT permit the cultivation, distribution and retail sales of Marijuana.

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## Illinois

Bipartisan bill H.B. 1438, which the General Assembly passed May 31, will allow adults 21 and older to buy marijuana from licensed dispensaries **starting January 1, 2020**. Pritzker signed the bill June 25.

#### Taxes:

- 7% Tax on Sales to Dispensaries
- Retail Excise Taxes
  - 10% on marijuana with THC level of 35% or less
  - 20% on cannabis-infused products
  - 25% for marijuana with THC level above 35%
  - Local option tax up to 3% [7/1/2020]

#### Agencies Administering

Tracking and Licensing [Illinois Dept. of Financial & Professional Regulation]  
<https://www.idfpr.com/ILCannabis.asp>

Taxes: Illinois Dept. of Revenue -<https://www2.illinois.gov/rev/Pages/default.aspx>  
[Information bulletin 2020-12](#)

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## Maine

Voters approved marijuana legalization with the Ballot Question 1 in 2016. This allowed possession and individuals to grow marijuana beginning on January 30, 2017. On May 2, 2018, the Legislature overrode the Governor's veto of [LD 1719](#), An Act to Implement a Regulatory Structure for Adult Use Marijuana.

#### Taxes:

- Excise tax of \$335 per pound - flower
- Excise tax of \$94 per pound - trim
- Excise tax of \$1.50 per seedling
- Excise tax of \$0.35 per seed
- Retail sales tax of 10%

#### Agencies Administering:

Tracking and Licensing: Office of Marijuana Policy - Maine Department Administrative and Financial Services  
<https://www.maine.gov/dafs/> [[draft rules released](#) - April 23 2019]

Taxes: Maine Revenue Service  
<https://www.maine.gov/revenue/>

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## Massachusetts

Legalization was approved with Ballot Question 4 in 2016. While the ballot question set January 2018 as the date for retail sales to begin, legislation H 3818 delayed first sales until after July 1, 2018 and set various tax rates. It also created a Cannabis Control Commission with 5 appointed members.

The first cultivation license was issued on June 21, 2018, and the first retail store opened on November 20, 2018.

#### Taxes:

- 10.75% Excise Tax on Retail sales (initially 3.75% on ballot)
- 6.25% Retail Sales Tax applies
- Local Option Excise Tax of up to 3% is permitted (initially 2% on ballot)

#### Agencies Administering:

Tracking and Licensing: Massachusetts Cannabis Control Commission  
<https://mass-cannabis-control.com/>

Taxes: Massachusetts Dept. of Revenue  
<https://www.mass.gov/marijuana-retail-taxes>

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## Michigan

Voters recently approved Ballot Proposal 1 in the 2018 election authorizing the cultivation, distribution and retail sales of **recreational Marihuana**. State policymakers now need to approve legislation to implement the proposal. Details on taxes and regulation will be spelled out in future legislation. **Legal retail sales began on December 6, 2019.**

### Taxes:

- 10% Retail Excise Tax

### Agencies Administering:

Tracking and Licensing: Michigan Dept. of Licensing and Regulatory Affairs  
[https://www.michigan.gov/lara/0,4601,7-154-89334\\_79571\\_90056---,00.html](https://www.michigan.gov/lara/0,4601,7-154-89334_79571_90056---,00.html)

Taxes: To Be Administered by the Michigan Department of Treasury  
<https://www.michigan.gov/treasury>  
The Department has recently released [Bulletin 2019-17](#) discussing collections of retail excise tax.

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## Nevada

Legal sales of Marijuana were approved by the voters with Ballot Question 2 in 2016. While the Ballot Question setup January 1, 2018 as the start date for retail sales, the Dept. of Taxation approved regulations allowing sales to begin on July 1, 2017. Due to supply conditions, the Department temporarily permitted medical facilities to sell recreational marijuana.

### Taxes:

- Wholesale Excise Tax 15% [Fair Market Value determined by DOT], also applied to medical marijuana
- Retail Tax 10%
- Sales tax imposed 6.85% (plus local)

### Agencies Administering:

Tracking, Licensing and Taxes: Nevada Dept. of Taxation  
<http://marijuana.nv.gov/>

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## Oregon

Voters approved Initiative Measure 91 in 2014 that legalized recreational marijuana allowing possession of up to 8 ounces and four plants. It also required the Liquor Control Commission to regulate sales. Legislation was approved in the 2015 session that allowed retail sales to begin on October 1, 2015, initially through medical dispensaries on a temporary basis. Recreational marijuana retail licenses were granted beginning October 1, 2016.

### Taxes:

- 17% Retail Sales Tax
- a temporary 25% tax was imposed on Medical Dispensary sales January - December 2016.
- Local Option sales tax up to 3%

### Agencies Administering:

Tracking and Licensing: Oregon Liquor Control Commission  
<https://www.oregon.gov/olcc/Pages/index.aspx>

Taxes: Oregon Dept. of Revenue  
<https://www.oregon.gov/DOR/Pages/index.aspx>

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## Vermont

In January 2018, the governor signed H. 511 permitting the possession of 1 ounce of marijuana and two plants. It did NOT allow the retail sales of marijuana but created a Marijuana Advisory Commission which would submit recommendations to the legislature on future retail sales.

**Agencies Administering:**

Vermont Marijuana Advisory Commission  
<https://marijuanacommission.vermont.gov/>

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**Washington**

Voters approved Measure Initiative 502 in 2012 which legalized the possession, distribution and sales of marijuana. It required the State Liquor Control Board to regulate and tax the retail sale of Marijuana. Legislation in 2015 (H 2136) changed the tax rate (from 25% wholesale and retail tax) to the current 37% rate and changed the name to the Washington State Liquor and Cannabis Board.

Retail sales began July 2014, with Washington became the second state to permit retail sales of recreational marijuana. Note, medical dispensaries were required to obtain a retail license after June 2016.

**Taxes:**

- 37% Tax on Retail Sales
- 6.5% Retail Sales Tax (plus local tax) [medical is exempt from sales taxes after June 2016]

**Agencies Administering:**

Tracking, Licensing and Taxes: Washington State Liquor and Cannabis Board  
<https://lcb.wa.gov/>

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