

# MARIJUANA TAX

## INFORMATION GUIDE

### STATE

#### EXCISE WHOLESALE

MEDICAL 15%

ADULT USE 15%

\$27.27 MILLION FY2018

\* GOES TO DISTRIBUTIVE SCHOOL ACCOUNT AFTER COSTS OF THE PROGRAM (INCLUDING \$5M DISTRIBUTION TO LOCAL GOVERNMENTS)

#### SALES TAX

MEDICAL ~8%

ADULT USE ~8%

\$42.97 MILLION FY2018

\* 2% GOES TO THE STATE. THE REMAINDER GOES TO CONSOLIDATED DISTRIBUTIVE TAX (C-TAX)

#### RETAIL EXCISE

ADULT USE 10%

\$42.50 MILLION FY2018

\* GOES TO RAINY DAY FUND PER GOVERNOR SANDOVAL LEGISLATION

#### TAXABLE SALES

\$529M

FY2018

### FEDERAL

#### 26 U.S. CODE SECTION 280E

No deduction or credit shall be allowed for any amount paid or incurred during the taxable year.



IN EFFECT, INCREASES "TAXABLE INCOME." BUSINESSES CANNOT DEDUCT PAYROLL, MARKETING, ETC.

### LOCAL

Up to 3% of gross revenue on each license.  
(CULTIVATION, PRODUCTION, AND DISPENSARY)

## BUSINESS LICENSING

#### STATE

APPLICATION AND LICENSING FEES  
\$5,000 TO \$20,000

APPROX. \$10.22M

#### LOCAL

UP TO  
\$75,000

\* CROSS-JURISDICTIONAL LICENSING (SOME JURISDICTIONS)

BUSINESSES ARE ALSO SUBJECT TO MODIFIED BUSINESS TAX, COMMERCE TAX AND PROPERTY TAXES.