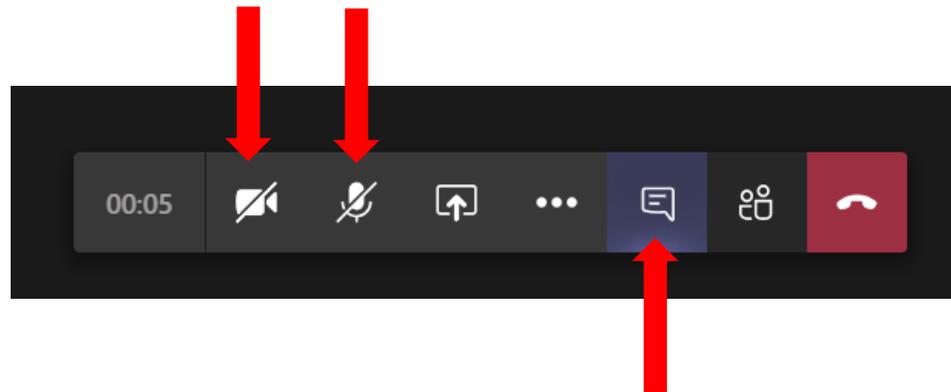




**CDTFA**  
CALIFORNIA DEPARTMENT OF  
TAX AND FEE ADMINISTRATION

**Thank you for joining our webinar.**  
Please turn off your microphone and camera.

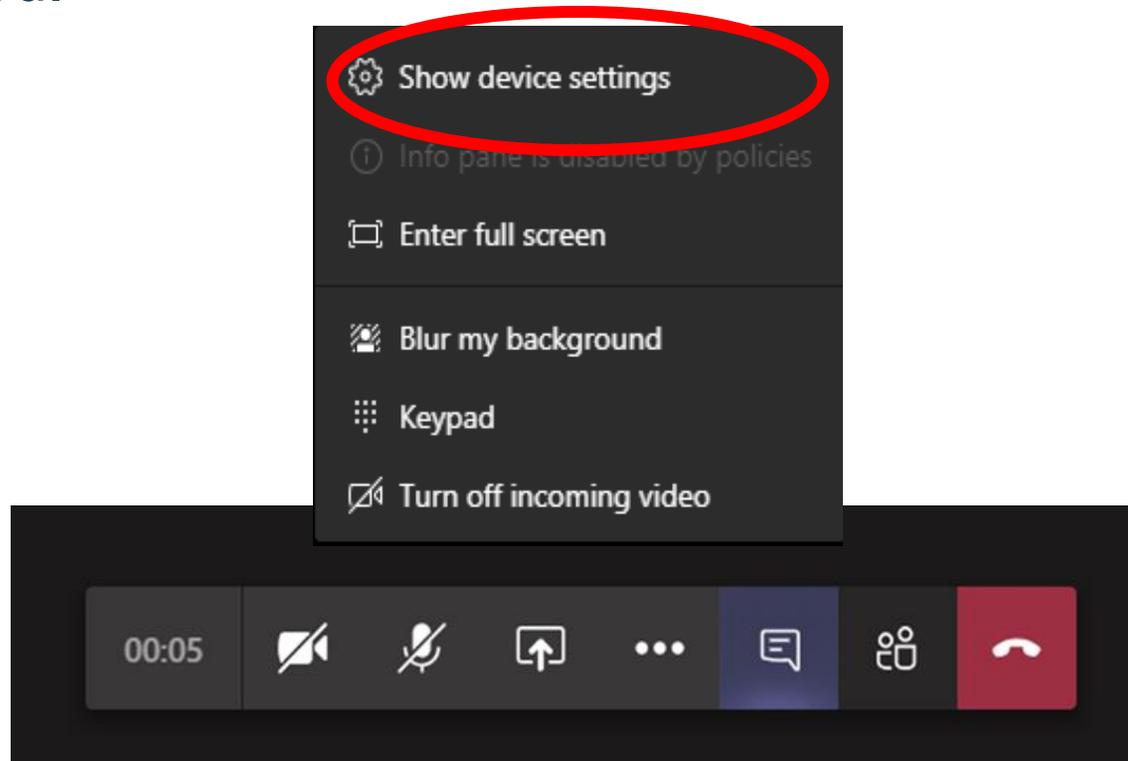


**If you have any questions, they can be submitted using the chat feature.**

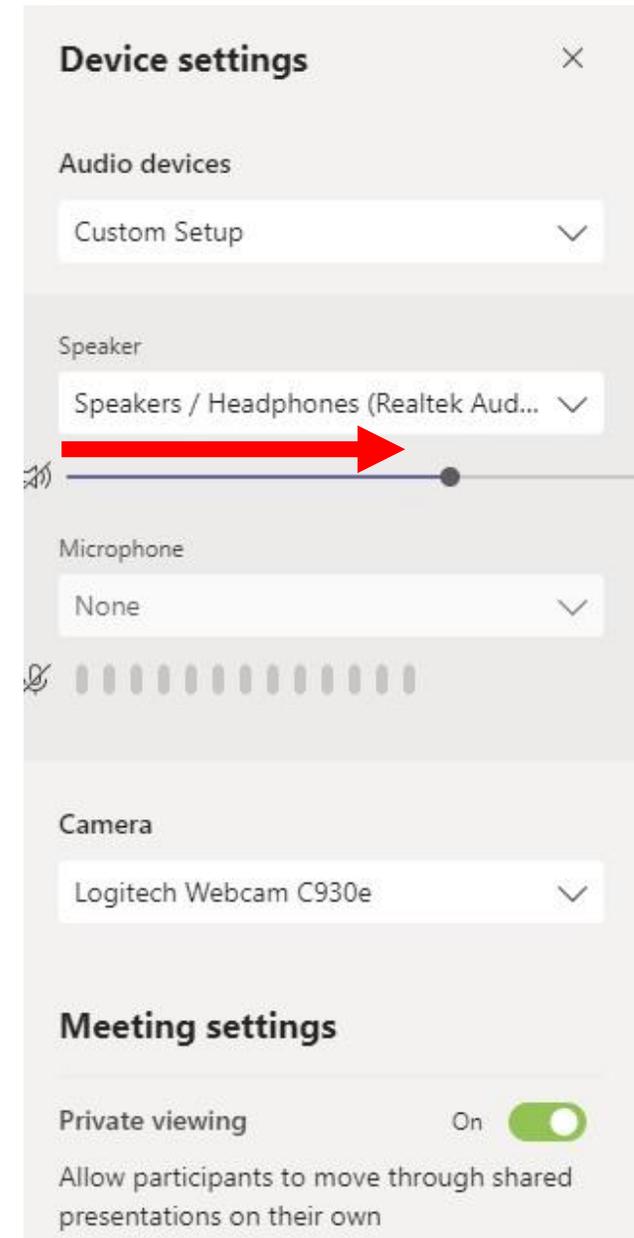


**CDTFA**  
CALIFORNIA DEPARTMENT OF  
TAX AND FEE ADMINISTRATION

Please be sure the speakers on your computer are turned on and that the volume is appropriate for you.



**We will begin soon**





**CDTFA**  
CALIFORNIA DEPARTMENT OF  
TAX AND FEE ADMINISTRATION

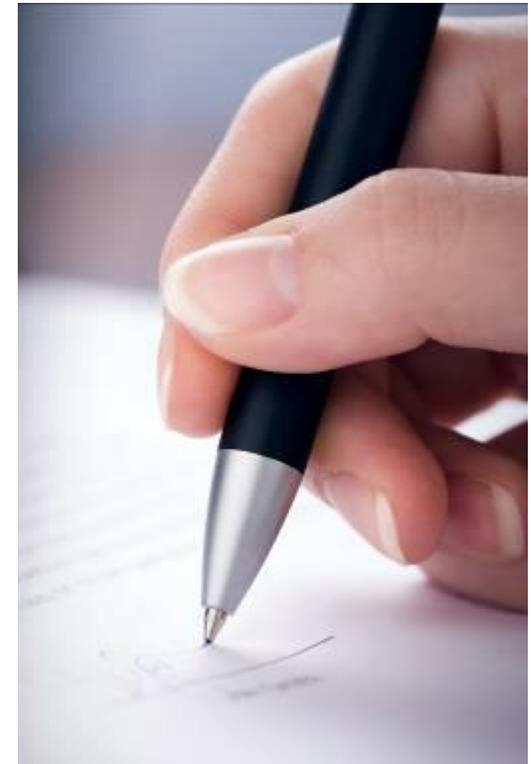
# Tax Help for Cannabis Retailers



# Get it in Writing!

This presentation illustrates general tax concepts and does not describe every situation. Email us at [www.cdtfa.ca.gov/email/](http://www.cdtfa.ca.gov/email/) with details specific to your business operations for legally-reliable written tax guidance.

*Please note:* The contents of these slides as well as answers provided in the chat during this presentation do not constitute written tax advice that may provide relief from liability under California Revenue and Taxation Code (R&TC) §6596 and §55045 and Regulation 1705.





# Cannabis Retailer

---

A cannabis retailer is a person who engages in retail sales or deliveries of cannabis or cannabis products to customers. This includes microbusinesses authorized to sell cannabis at retail.





# Cannabis Tax Law

---

- November 8, 2016 – Under Proposition 64, voters approved legalizing adult use of cannabis.
- June 30, 2022 – Cannabis tax reform under AB 195:
  - Ended the cultivation tax as of July 1, 2022.
  - Moves the collection and payment of the cannabis excise tax from the distributor to the cannabis retailer, for retail sales of cannabis or cannabis products made on and after January 1, 2023.



# Cannabis Excise Tax

---

Beginning January 1, 2023:

- Cannabis excise tax is imposed upon purchasers of cannabis or cannabis products sold in a retail sale.
- Cannabis retailers are responsible for collecting the cannabis excise tax from the purchaser.
- 15% cannabis excise tax will be applied to the gross receipts from the retail sale, rather than the average market price.
- Cannabis retailers are responsible for reporting and paying the cannabis excise tax directly to CDTFA for their retail sales made on or after January 1, 2023.



# Cannabis Excise Tax – Credit for Tax Paid to a Distributor

---

Beginning January 1, 2023:

- Cannabis retailers may claim a credit on their return for any cannabis excise tax paid to a distributor for cannabis or cannabis products purchased before January 1, 2023, and sold at retail on or after January 1, 2023.
- Cannabis retailers must keep documentation to support any credits reported on their return.
  - Sales invoices
  - Purchase invoices
  - Any other information supporting the payment of the cannabis excise tax to a distributor



# Vendor Compensation

---

- Beginning January 1, 2023, eligible cannabis retailers may apply to retain vendor compensation.
- Approval to retain 20% of cannabis excise tax owed on retail sales.
- Cannabis retailers must be approved for a DCC fee waiver prior to applying with us.
- Online vendor compensation application.
- Vendor compensation program ends on December 31, 2025.



# Vendor Compensation Period

---

- 12-month period as long as the cannabis retailer remains eligible
- Begins on the first day of the calendar quarter after the date on our vendor compensation approval notice.
- Vendor Compensation approval can end prior to the 12-month period if the cannabis retailer does not maintain their eligibility.
- Retailers can re-apply with us prior to or after their retention period ends.



# Retain Vendor Compensation

---

- Applies only to the retail sales made at the retail location approved for vendor compensation.
- Vendor compensation cannot be retained on any retail sales made if the cannabis retailer license is expired or revoked or if the sales were made under any other cannabis license that the retailer may have.
- The return will automatically calculate 20% of the excise tax due on sales reported for the location approved for vendor compensation.



# Cannabis Excise Tax Example

---

## Example of tax calculation beginning January 1, 2023

Selling price of cannabis	\$35.00
Cannabis business tax (10% x \$35)	\$3.50
Delivery fee	<u>+ \$5.00</u>
Subtotal (\$35 + \$3.50 + \$5)	\$43.50
Excise tax (15% x \$43.50)	\$6.53
Sales tax calculation:	
Subtotal (\$43.50 + \$6.53)	\$50.03
Sales tax due (8.5% x \$50.03)	<u>+ \$4.25</u>
Total due from customer (\$50.03 + \$4.25)	\$54.28



# What is Sales Tax?

**Generally, all sales are taxable unless specifically exempt or excluded by law**

- Sales tax is imposed upon the retailer (seller) on the sale of tangible personal property at retail in California.
- Retailers often collect reimbursement for the sales tax from their customers.
- Even though the consumer bears the financial burden of the sales tax when a retailer collects it from him or her, ultimately the retailer is liable for paying sales tax on their sales transactions.
- Tax is due based upon the gross receipts from retail sales.





# Resale Certificates

---

- Allows you to buy resale inventory without paying sales tax reimbursement to the seller.
- You must provide a timely completed resale certificate to your supplier.
- Not allowed for purchasing personal use items.



# Resale Certificates

---

*(continued)*

## Penalty for misuse:

- May be found guilty of a misdemeanor if you issue a completed resale certificate to the seller with the intent to evade reporting or paying sales tax.
- A penalty of 10 percent of the tax or \$500, whichever is greater, for each purchase made for personal gain or to evade payment of tax.
- A 10 percent negligence penalty if you fail to report and pay use tax on property purchased improperly with a resale certificate, or a 25 percent penalty for fraud or intent to evade the tax.

# Resale Certificates

*(continued)*

Use [CDTFA-230](#), *General Resale Certificate*.

CDTFA-230 REV. 1 (8-17)  
GENERAL RESALE CERTIFICATE

STATE OF CALIFORNIA  
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

## California Resale Certificate

**I HEREBY CERTIFY:**

1. I hold valid seller's permit number: \_\_\_\_\_

2. I am engaged in the business of selling the following type of tangible personal property:  
\_\_\_\_\_

3. This certificate is for the purchase from \_\_\_\_\_ of the item(s) I have  
listed in paragraph 5 below. [Vendor's name]

4. I will resell the item(s) listed in paragraph 5, which I am purchasing under this resale certificate in the form of tangible personal property in the regular course of my business operations, and I will do so prior to making any use of the item(s) other than demonstration and display while holding the item(s) for sale in the regular course of my business. I understand that if I use the item(s) purchased under this certificate in any manner other than as just described, I will owe use tax based on each item's purchase price or as otherwise provided by law.

5. Description of property to be purchased for resale:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. I have read and understand the following:  
**For Your Information:** A person may be guilty of a misdemeanor under Revenue and Taxation Code section 6094.5 if the purchaser knows at the time of purchase that he or she will not resell the purchased item prior to any use (other than retention, demonstration, or display while holding it for resale) and he or she furnishes a resale certificate to avoid payment to the seller of an amount as tax. Additionally, a person misusing a resale certificate for personal gain or to evade the payment of tax is liable, for each purchase, for the tax that would have been due, plus a penalty of 10 percent of the tax or \$500, whichever is more.

NAME OF PURCHASER	
SIGNATURE OF PURCHASER, PURCHASER'S EMPLOYEE OR AUTHORIZED REPRESENTATIVE	
PRINTED NAME OF PERSON SIGNING	TITLE
ADDRESS OF PURCHASER	
TELEPHONE NUMBER (    )	DATE



# Use Tax

---

- Tax on goods purchased without payment of tax for you use, storage, or consumption, or to give away in California.
- Same rate as your local sales tax rate.
- Generally, applies to goods you:
  - Purchase from outside the state of California for use in California without payment of California sales or use tax.
  - Remove from your resale inventory for your personal use.



# Use Tax

---

*(continued)*

- It is important to note that interstate commerce of cannabis and cannabis products is prohibited, so you cannot purchase cannabis outside the state to sell in your store.
- However, you generally owe use tax on equipment, supplies, and other non-cannabis products purchased outside the state without the payment of California sales or use tax.

# Exempt Sales of Medicinal Cannabis

- Purchasers must provide:
  - A valid Medical Marijuana Identification Card (MMIC) issued by the California Department of Public Health (CDPH), and
  - A valid driver's license or other government issued identification card.
- Exemption applies to sales tax only.
- The CDPH has a website to allow you to verify the validity of an MMIC:
  - [www.calmmp.ca.gov/MMIC\\_Search.aspx](http://www.calmmp.ca.gov/MMIC_Search.aspx)



# Recordkeeping Requirements to Support Exempt Medicinal Sales

---

If you make qualifying exempt sales and claim the deduction on your sales and use tax return, you should maintain the following records for each transaction:

- The nine-digit ID number and expiration date as shown on the qualified patient's or primary caregiver's unexpired Medical Marijuana Identification Card; and
- The related sales invoice or other original record of sale.



# Donated Medicinal Cannabis

---

- Cannabis retailers may provide free medicinal cannabis or medicinal cannabis products (medicinal cannabis) to medicinal cannabis patients or their primary caregivers.
- Cannabis licensees may donate medicinal cannabis to cannabis retailers for subsequent donation to medicinal cannabis patients without payment of use tax or cannabis excise tax.

# Donated Medicinal Cannabis

*(continued)*

- A medicinal cannabis patient is a qualified patient who possesses:
  - A qualifying physician's recommendation, or
  - A qualified patient or patient's primary caregiver with a valid Medical Marijuana Identification Card issued by the California Department of Public Health.
- Written Certification Requirements
  - The cannabis retailer that receives the medicinal cannabis for donation must certify in writing to the licensee donating it that the medicinal cannabis will ultimately be donated to a medicinal cannabis patient.



# Cannabis Trade Samples

---

Certain cannabis licensees may provide and receive cannabis trade samples.

- Cultivators, manufacturers, and distributors can provide trade samples
- Cannabis retailers can receive cannabis trade samples
- See DCC website at [www.dcc.ca.gov](http://www.dcc.ca.gov)



# Cannabis Trade Samples

---

*(continued)*

- The cannabis excise tax does not apply to cannabis trade samples.
- Cannabis trade samples must be given for free.
- Document the receipt or transfer of cannabis trade samples should be kept by each licensee.
- This documentation should be consistent with the transaction recorded in the California Cannabis Track-and-Trace system.



# Requirements for Cannabis Retailers

---

- Register for a seller's permit.
- Beginning January 1, 2023, cannabis retailers must file cannabis retailer excise tax returns online and pay the 15% cannabis excise tax due to CDTFA.
- Report and pay use tax on taxable items purchased without tax and used by the retailer (for example, inventory items used for display).
- The first cannabis retailer excise tax return will be due by May 1, 2023.



# Requirements for Cannabis Retailers

---

*(continued)*

Collect the cannabis excise tax from purchasers and provide a receipt or invoice to the customer:

- Beginning January 1, 2023, the cannabis excise tax must be listed separately on the receipt.
- For retail sales of cannabis or cannabis products made on and after January 1, 2023, retailers must report and pay cannabis excise tax directly to CDTFA.



# Requirements for Cannabis Cultivators, Manufacturers and Distributors

---

- Register for a seller's permit.
- Obtain resale certificates.
- File sales and use tax returns.
- Report and pay use tax on taxable items purchased without tax and used.
- Keep adequate records.
- Obtain the appropriate licenses for your business.



# Recordkeeping Requirements for the Cannabis Industry

---

Every sale or transport of cannabis or cannabis products from one licensee to another must be recorded on a sales invoice or receipt. Each sales invoice or receipt must include:

- Names and addresses of the seller and purchaser,
- Date of sale,
- Invoice number,
- Kind, quantity, size, and capacity of packages of cannabis or cannabis products sold,



# Recordkeeping Requirements for the Cannabis Industry

---

*(continued)*

- Cost to the purchaser, including any discount applied to the price shown on the invoice,
- Place from which the cannabis or cannabis products were transported from unless the transport was made from the premises of the licensee.
- Any other information as required.

# 50 Percent (50%) Penalty for Late Payment of Cannabis Taxes

---

- The Cannabis Tax Law imposes a mandatory 50 percent penalty for failure to pay the cannabis taxes when due.
- If you fail to pay the cannabis taxes by your due date, you may be relieved of the 50 percent penalty if you file a request for relief and if CDTFA finds that your failure to timely pay was due to reasonable cause and circumstances beyond your control.
- You may request relief of penalty by visiting our Online Services page at [www.cdtfa.ca.gov/services/](http://www.cdtfa.ca.gov/services/) and following the directions under the *Request Relief* tab.

# Online Services

## Register a New Business Activity

Online Services is available in Spanish. You can file your Sales and Use Tax Return, *Make a Payment, Prepayment, and Register* with the CDTFA entirely in Spanish. Additional programs will be offered in the future.

Use the buttons below to switch languages. Your selection will begin after leaving this page.

English

Español

### Login

Username

Password

Login

[Forgot Password?](#)

[Forgot Username?](#)

### Create a Username

Sign Up Now

### Express Login

*Express Login Code* is now called *Limited Access Code*. *Limited Access Code* allows you to file a return or make a payment without creating a username.

File a Return

Make a Prepayment

Make a Payment

To view your account status, account history, or make changes to your account, please log in using your username and password or click the "Sign Up Now" link to create a new username.



# Online Services

## Register a New Business Activity

*(continued)*

**Menu**  Settings Log Off

[Home](#)

To get detailed notifications about your accounts (account balances, due dates, etc.), please Opt-In to Receive Confidential Notifications. Select "More" from the "I Want To" section, then select "Opt-In to Receive Confidential Notifications".

<p> <b>Logon</b></p> <hr/> <p>&gt; cre cre@cre.com +1 834- 743-7328 Last logged on 01-Jul-2024 <b>Balance: \$0.00</b></p>	<p> <b>Alerts</b></p> <hr/> <p> 3 unread messages</p>	<p> <b>I Want To</b></p> <hr/> <p><a href="#">File and/or View a Return</a></p> <p><a href="#">File a Return or Claim an Exemption for a Vehicle, Vessel, Aircraft, or Mobile Home</a></p> <p><a href="#">Register a New Business Activity</a></p> <p><a href="#">Make a Payment</a></p> <p><a href="#">Request a Payment Plan</a></p> <p><a href="#">Customs Imports Return</a></p> <p><a href="#">Request Access to an Account</a></p> <p><a href="#">View Important Information and Documents for Your Account(s)</a></p> <p><a href="#">Check Your Registration Status</a></p> <p><a href="#">More</a></p>
---	---	--

# Online Services

## Register a New Business Activity

*(continued)*

Menu Welcome, JOHN DOE  Settings  Log Off

[Home](#) > [New Business Application](#)

### Register a Business Activity

**QUESTIONNAIRE**

My Business Activity In

My Business Activity Includes:

**My business activity includes (select all that apply):**

- Selling items or goods in California (Seller's Permit)
- Purchasing items from out of state for use in California without paying tax
- Lender claiming bad debt losses on taxable sales
- Operating as a:
  - common carrier of alcoholic beverages (Interstate Alcoholic Beverage Transporters Permit)
  - as a train, pipeline or vessel operator transporting petroleum products
  - as the owner of a diesel-powered vehicle traveling to Mexico
  - as a railroad operator - transporting hazardous materials by rail car
- Exempt Bus Operator
- Train Operator purchasing fuel
- Using Fuel Products in an exempt manner
- Underground Storage Tank(s) used to store petroleum products
- Operating in California as a:
  - Marine terminal
  - Refinery
  - Renewable fuel receiving facility
  - Renewable fuel production facility
- Using alternative fuels:

# Online Services

## Register a New Business Activity

*(continued)*

Menu
Welcome, JOHN DOE Settings Log Off

[Home](#) > [New Business Application](#)

**Register a Business Activity**

QUESTIONNAIRE

QUESTIONNAIRE

My Business Activity In

Sales in California (1/2)

**My Business Activity Includes:**

**Selling Items or Goods in California**

Alcoholic beverages  Yes  No

**Required** Cannabis or cannabis products  Yes  No

Selling:  Yes  No

- cigarettes and/or tobacco products
- nicotine products for human consumption
- electronic smoking and/or vaping devices (with or without nicotine)
- any vaporized liquids, component, part, or accessory of a tobacco product (with or without nicotine)

Yes  No

Selling new tires:  Yes  No

- at retail
- with the sale/lease of new or used:
  - motor vehicles
  - trailers
  - farm equipment and/or construction equipment.

Or, if you are a consumer who purchased new tires for personal or business use but did not pay the fee at the time of purchase.

Selling Covered Electronic Devices (CED's) greater than 4 inches diagonally, (Cell phones are not subject to E-waste Fee) CED's include:  Yes  No

- computer monitors, Laptop computers, portable DVD players with liquid crystal display (LCD) screens
- "bare" cathode ray tubes and devices containing cathode ray tubes
- televisions with LCD screens.

Or, if you are a consumer who purchased new CED's for personal or business use but did not pay the fee at the time of purchase

Save Draft

Cancel

< Previous

Next >

# Online Services

## Register a New Business Activity *(continued)*

☰ Menu
Welcome, JOHN DOE ⚙ Settings 🔒 Log Off

[Home](#) > [New Business Application](#)

### Register a Business Activity

QUESTIONNAIRE

QUESTIONNAIRE

My Business Activity In

Sales in California (1/2)

Sales in California (2/2)

**My Business Activity Includes:**

Fuel products (for example, selling, storing, importing, manufacturing, or distributing fuel products in California or an oil refinery, marine terminal, renewable fuel receiving facility, renewable fuel production facility, or pipeline to transport crude oil out of the state or petroleum products into the state).  Yes  No

Selling lumber products or engineered wood products  
\* If your sales of lumber products are less than \$25,000 per year, you are not required to collect the 1% assessment and can uncheck the box above. However, you are then required to notify each lumber products purchaser of their responsibility to pay the 1% assessment directly to the CDTFA. As a courtesy to your taxpayer, you may voluntarily continue to collect the 1% assessment and report and pay it to the CDTFA. For more information, see Lumber Products Assessment.  Yes  No

Retail sales of prepaid wireless services  Yes  No

Selling and/or manufacturing lead-acid batteries  Yes  No

Save Draft

Cancel

< Previous

Next >



# Online Services

## Register a New Business Activity

*(continued)*

**Menu** Welcome, JOHN DOE **Settings** **Log Off**

[Home](#) > [New Business Application](#)

### Register a Business Activity

**QUESTIONNAIRE**

- My Business Activity In
- Sales in California (1/2)
- Sales in California (2/2)
- Cannabis or cannabis p

**QUESTIONNAIRE**

My Business Activity Includes:

**Selling cannabis or cannabis products**

Selling cannabis or cannabis products at retail **Required**  Yes  No

**Save Draft** **Cancel** **< Previous** **Next >**



# Online Services

## Register a New Business Activity

*(continued)*

☰ Menu
⚙ Settings 🔒 Log Off

[Home](#) > [New Business Application](#)

### Register a Business Activity

**QUESTIONNAIRE**

- My Business Activity In
- Sales in California (1/2)
- Sales in California (2/2)
- Cannabis or cannabis p
- Entity
- Your Business Type
- Summary

**QUESTIONNAIRE**

Summary

Based on your responses, it appears your business requires the following accounts with the State of California:

Please select "No" for the permits/accounts you do not wish to register for at this time.

**Sales and Use Taxes**

---

Seller's Permit 
 Yes  No

**Cannabis Retailer Excise Tax**

---

Cannabis Retailer Excise Tax Permit 
 Yes  No



# Online Services

## Register a New Business Activity

*(continued)*

Menu Settings Log Off

Home > New Business Application

### Register a Business Activity

**QUESTIONNAIRE**

**TAXPAYER INFORMATION**

Address Information

Individual Information

Business Contacts

**BUSINESS INFORMATION**

Sales

NAICS CODES

**BUSINESS INFORMATION**

Business Information

Please add your business activities (NAICS Code) Add NAICS Code

NAICS Code	Activity Description	Primary
<input type="checkbox"/> 456110	Pharmacies and Drug Retailers	<input checked="" type="radio"/>

Save Draft Cancel < Previous Next >



# Online Services

## Register a New Business Activity

(continued)

Menu
Settings Log Off

Home > New Business Application

### Register a Business Activity

**QUESTIONNAIRE**

TAXPAYER INFORMATION

Address Information

Individual Information

Business Contacts

**BUSINESS INFORMATION**

Sales

NAICS CODES

Additional Business Ac

DMV Vetting Questions

Business Location(s)

Business Location

**BUSINESS LOCATION**

Temporary Question

Business Location

Location Information

Location Activities

Location

**Enter Location Information - 123 N MAIN ST ADIN CA 96006-8020**

Seller's Permit

Yes  No

Seller's Permit Start Date (mm/dd/yyyy)

Required

Do you have cannabis business activities at this location?

Yes  No

Start Date

Required

Do you make retail sales of cannabis or cannabis products at this location?

Yes  No

Department of Cannabis Control (DCC) Number

Save Draft
Cancel
< Previous
Next >

# Online Services

## Register a New Business Activity *(continued)*

Menu Settings Log Off

Home > New Business Application

### Register a Business Activity

**QUESTIONNAIRE**

**TAXPAYER INFORMATION**

Address Information

Individual Information

Business Contacts

**BUSINESS INFORMATION**

Sales

**NAICS CODES**

Additional Business Ac

DMV Vetting Questions

Business Location(s)

Business Location

Add Business Locati

Business Location

**ACCOUNT INFORMATION**

**SUMMARY**

Registration Summary

**SUMMARY**

Registration Summary

Name: CRE TEST

Address: 150 N MAIN ST ADIN CA 96006-8020

---

**Seller's Permit**

Start Date: 01-Jan-2023

Reporting Basis: Quarterly

I acknowledge that I have read and understand the above account information.  Yes  No

---

**Cannabis Retailer Excise Tax**

Start Date: 01-Jan-2023

Reporting Basis: Quarterly

I acknowledge that I have read and understand the above account information.  Yes  No

Save Draft Cancel
Previous Next

# Online Services

## Register a New Location

 **Menu**  Settings  Log Off

 [Home](#)

To get detailed notifications about your accounts (account balances, due dates, etc.), please Opt-In to Receive Confidential Notifications. Select "More" from the "I Want To" section, then select "Opt-In to Receive Confidential Notifications".

<p> <b>Logon</b></p> <p>&gt; cre cre@cre.com +1 834- 743-7328 Last logged on 01-Jul-2024</p> <p><b>Balance: \$0.00</b></p>	<p> <b>Alerts</b></p> <p> 3 unread messages</p>	<p> <b>I Want To</b></p> <ul style="list-style-type: none"><li><a href="#">File and/or View a Return</a></li><li><a href="#">File a Return or Claim an Exemption for a Vehicle, Vessel, Aircraft, or Mobile Home</a></li><li><a href="#">Register a New Business Activity</a></li><li><a href="#">Make a Payment</a></li><li><a href="#">Request a Payment Plan</a></li><li><a href="#">Customs Imports Return</a></li><li><a href="#">Request Access to an Account</a></li><li><a href="#">View Important Information and Documents for Your Account(s)</a></li><li><a href="#">Check Your Registration Status</a></li><li><a href="#">More</a></li></ul>
---	---	---



# Online Services

## Register a New Location

*(continued)*

The screenshot shows a web application menu with a dark blue header. The header contains a hamburger menu icon, the word "Menu", a gear icon for "Settings", and a lock icon for "Log Off". Below the header is a breadcrumb trail: "Home > More". A search bar labeled "Filter" is present. The menu is organized into several sections, each with a horizontal line separator:

- Fuel Trip Permits**
  - Request a Fuel Trip Permit One Time Receivable Fuel Trip Permit
- Manage Business Activity**
  - Register a New Business Activity Register a New Business Activity
  - Register a New Location** Register a New Location
  - Update Identification Number Update Identification Number
- Power of Attorney**
  - Request Power of Attorney Request power of attorney
- Underground Storage Tank - Payment of Fee by Operator**
  - Download Form 1213 Download Form 1213
  - Upload Form 1213 Upload Form 1213
- Validate Your File**
  - Validate Bulk File Validate your EDI, FLT (Flat) or XML File
- Upload Returns in Bulk**
  - EDI Motor Fuel Returns Bulk File EDI Motor Fuel Returns
  - Quarterly IFTA Carrier Returns Bulk File Quarterly IFTA Carrier Returns

The "Register a New Location" option in the "Manage Business Activity" section is circled in yellow.



# Online Services

## Print Cannabis Retailer Excise Tax Permit

### Logon

> cre  
cre@cre.com  
+1 834- 743-7328  
Last logged on 01-Jul-2024

**Balance: \$0.00**

### Alerts

3 unread messages

### I Want To

- [File and/or View a Return](#)
- [File a Return or Claim an Exemption for a Vehicle, Vessel, Aircraft, or Mobile Home](#)
- [Register a New Business Activity](#)
- [Make a Payment](#)
- [Request a Payment Plan](#)
- [Customs Imports Return](#)
- [Request Access to an Account](#)
- [View Important Information and Documents for Your Account\(s\)](#)
- [Check Your Registration Status](#)
- [More](#)

### Accounts

### Submissions

### Correspondence

### Names and Addresses

### Logons

Select an Account Below for Additional Requests

[View Accounts](#)

Filter

Account Type	Account ID	Name	Balance
Cannabis Retailer Excis	265-646080	CRE CANNABIS	\$0.00
Sales and Use Tax	232-091648	CRE CANNABIS	\$0.00

2 Rows



# Online Services

## Print Cannabis Retailer Excise Tax Permit

*(continued)*

☰ Menu
Welcome, cre Settings Log Off

Home > Cannabis Retailer Excise Tax

The balance displayed may not reflect recent payments or adjustments to the account.

Account	Account Alerts	I Want To
<p>CRE CANNABIS 125-183944</p> <p>&gt; Cannabis Retailer Excise Tax 265-646080</p> <p><b>Balance: \$0.00</b></p>	<p> File return for 30-Sep-2023</p> <p> File return for 30-Jun-2023</p> <p> File return for 31-Mar-2023</p> <p> 1 unread message</p>	<p>File and/or View a Return</p> <p>Make a Payment</p> <p>View Prior Payments</p> <p>Request a Filing Extension</p> <p><span style="border: 2px solid orange; border-radius: 50%; padding: 5px; display: inline-block;">More</span></p>

# Online Services

## Print Cannabis Retailer Excise Tax Permit

*(continued)*

☰ Menu
Welcome, cre ⚙ Settings 🔒 Log Off

---

🏠 Home > Cannabis Retailer Excise Tax > More

Filter

**More**

- + [Submit a Relief Request](#)      Submit a request for relief of penalty, interest, and/or cost of collection recovery fee
- 🏠 [Submit a Claim for Refund](#)      If you believe you have paid more tax than you owe, you may file a claim for refund
- 📄 [Request Reinstatement](#)      Request reinstatement of an account/permit that has been revoked
- 👤 [Request Innocent Spouse Relief](#)      Request a relief of tax liability or fees through an innocent spouse relief claim
- 📄 [Vendor Compensation Application](#)      Cannabis Retail Excise Tax Vendor Compensation Application
- 📄 [Direct My Fedwire Payment](#)      Direct My Fedwire Payment
- 📄 [Fill Out an Audit Survey](#)      Fill Out an Audit Survey

**Account Maintenance**

- ✍ [Filing Frequency Change](#)      Change your filing frequency for this account
- ✕ [Account Closure](#)      Close this account entirely with the CDTFA
- ✉ [Print a Cannabis Retail Excise Permit](#)      View and print an existing Cannabis Retail Excise permit
- 👤 [Add Contact](#)      Add a books and records contact person for this account

**File an appeal**

- 📄 [File a Petition for Redetermination](#)      Contest a liability
- 🏛 [File an Application for an Administrative Hearing](#)      Submit an application for an administrative hearing

## Online Services

# Print Cannabis Retailer Excise Tax Permit

*(continued)*

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION  
**CANNABIS RETAILER EXCISE TAX PERMIT**

PERMIT NUMBER  
265646080 - 00001

CRE CANNABIS  
123 N MAIN ST  
ADIN CA 96006-8020



THIS PERMIT HAS BEEN ISSUED TO YOU UNDER  
SECTION 34014 OF THE CALIFORNIA REVENUE  
AND TAXATION CODE.  
  
PLEASE RETAIN THIS DOCUMENT FOR YOUR  
RECORDS.

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED AND IS NOT TRANSFERABLE.  
FOR GENERAL TAX QUESTIONS, PLEASE CALL OUR CUSTOMER SERVICE CENTER AT 1-800-400-7115 (CRS:711).  
FOR INFORMATION ON YOUR RIGHTS, CONTACT THE TAXPAYERS' RIGHTS ADVOCATE OFFICE AT 1-888-324-2798.

CDTFA-442-CRE (8-22)

### A MESSAGE TO OUR PERMIT HOLDER

**As a permittee, you have certain rights and responsibilities under the Cannabis Tax Law. For assistance, we offer the following resources:**

- Our website at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov).
- Our toll-free Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

As a permittee, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a California Department of Tax and Fee Administration (CDTFA) representative when requested.

You must notify us if you are buying, selling, or discontinuing your business; adding or dropping a partner, officer, or member; or when you are moving. This permit is valid only for the owner specified on the permit. A person who obtains a permit and ceases to do business or never commenced business, shall surrender their permit by immediately notifying CDTFA in writing at this address: California Department of Tax and Fee Administration, Business Tax and Fee Division, P.O. Box 942879, Sacramento, CA 94279-0088. You may also surrender the permit to a CDTFA representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with CDTFA, please contact the Taxpayers' Rights Advocate Office for help by calling 1-888-324-2798 or by faxing 1-916-323-3319.

As authorized by law, information provided by an applicant for a permit may be disclosed to other government agencies.

# Online Services

## Vendor Compensation Application

☰ Menu
Welcome, cre ⚙️ Settings 🔒 Log Off

🏠 Home > Cannabis Retailer Excise Tax > More

Filter

**More**

- + [Submit a Relief Request](#)      Submit a request for relief of penalty, interest, and/or cost of collection recovery fee
- 🏠 [Submit a Claim for Refund](#)      If you believe you have paid more tax than you owe, you may file a claim for refund
- 📄 [Request Reinstatement](#)      Request reinstatement of an account/permit that has been revoked
- 👤 [Request Innocent Spouse Relief](#)      Request a relief of tax liability or fees through an innocent spouse relief claim
- 📄 [Vendor Compensation Application](#)      Cannabis Retail Excise Tax Vendor Compensation Application
- 📄 [Direct My Fedwire Payment](#)      Direct My Fedwire Payment
- 📄 [Fill Out an Audit Survey](#)      Fill Out an Audit Survey

**Account Maintenance**

- ✍️ [Filing Frequency Change](#)      Change your filing frequency for this account
- ✕ [Account Closure](#)      Close this account entirely with the CDTFA
- ✉️ [Print a Cannabis Retail Excise Permit](#)      View and print an existing Cannabis Retail Excise permit
- 👤 [Add Contact](#)      Add a books and records contact person for this account

**File an appeal**

- 📄 [File a Petition for Redetermination](#)      Contest a liability
- 🏛️ [File an Application for an Administrative Hearing](#)      Submit an application for an administrative hearing

# Online Services

## Vendor Compensation Application

*(continued)*

 **Menu** Welcome, cre  Settings  Log Off

 Home > Cannabis Retailer Excise Tax > More > Vendor Compensation Application

---

1. Vendor Compensation Application > 2. Site Selection > 3. Vendor Compensation Site Information > 4. Attachments

### Vendor Compensation Application

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You must be approved with Department of Cannabis Control (DCC) for an equity fee waiver prior to submitting your vendor compensation application with CDTFA.

Your registration information with DCC must match the registration and application information with us. If your registration information with us does not match your DCC registration information, you can update your registration information with us through your online services account before submitting your application.

A licensed cannabis retailer who is approved for a fee waiver with the Department of Cannabis Control (DCC) may also apply with the California Department of Tax and Fee Administration (CDTFA) to retain vendor compensation in the amount of 20 percent of the cannabis retailer excise tax due under your approved retail license. (Revenue and Taxation Code section 34011.1)

After submitting to us your application to retain vendor compensation, you will receive an e-notification stating whether your application has been approved or not approved.

Approval to retain vendor compensation will remain valid through the expiration of your DCC license that was approved for the fee waiver and begins with the first day of the calendar quarter following your notice of approval from us.

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# Online Services

## Vendor Compensation Application

*(continued)*

☰ Menu
Welcome, cre ⚙️ Settings 🔒 Log Off

🏠 Home > Cannabis Retailer Excise Tax > More > Vendor Compensation Application

1. Vendor Compensation Application

2. Site Selection

3. Vendor Compensation Site Information

4. Attachments

### Site Selection

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**Contact Information**

Contact Name

Contact Phone

Contact Email

Select the location for vendor compensation

**Locations**

Location	Seller's Permit	DCC License Nurr	Street	Street2	City	State	Country	Unit Type	Unit	Zip
<input checked="" type="radio"/>	232-091648	C10-1234567-LIC	123 N MAIN ST		ADIN	CA	USA			96006-8020

Cancel

< Previous

Next >

# Online Services

## Vendor Compensation Application

*(continued)*

**Menu** Welcome, cre Settings Log Off

[Home](#) > [Cannabis Retailer Excise Tax](#) > [More](#) > [Vendor Compensation Application](#)

1. Vendor Compensation Application   2. Site Selection   **3. Vendor Compensation Site Information**   4. Attachments

### Vendor Compensation Site Information

DCC License Number	<input type="text" value="C10-1234567-LIC"/>
DCC License Issue Date	<input type="text" value="01-Jan-2023"/>
DCC License Expiration Date	<input type="text" value="31-Dec-2023"/>
Fee Waiver Approval Date	<input type="text" value="01-Jan-2023"/>

# Online Services

## Vendor Compensation Application

*(continued)*

☰ Menu
Welcome, cre ⚙ Settings 🔒 Log Off

🏠 Home > Cannabis Retailer Excise Tax > More > Vendor Compensation Application

1. [Vendor Compensation Application](#)

2. Site Selection

3. Vendor Compensation Site Information

4. Attachments

### Attachments

Please supply the following:

- DCC Fee Waiver Approval Notice
- Proof of DCC Cannabis License

**Attachments** Add

Type	Name	Size	
DCC Fee Waiver Approval N	<a href="#">E20-03-358.pdf</a>	240	<a href="#">Remove</a>
Proof of DCC Cannabis Lice	<a href="#">E20-03-307.pdf</a>	249	<a href="#">Remove</a>

2 Rows

Cancel

< Previous

Submit

# Tax Guide for Cannabis Businesses

For more information, see our *Tax Guide for Cannabis Businesses* at:

[www.cdtfa.ca.gov/industry/cannabis.htm](http://www.cdtfa.ca.gov/industry/cannabis.htm).



The screenshot shows the top navigation bar of the CDTFA website. The header includes the CDTFA logo and name on the left, a search bar labeled "Search CDTFA" on the right, and four main navigation categories: "How Do I...", "Tax Programs", "Tax Resources", and "Join Us". The "Tax Resources" menu is expanded, showing a list of options: "Calculators", "Events & Education", "Forms & Publications", "Industry Guides", and "Information for Local Jurisdictions and Districts". The "Industry Guides" option is circled in yellow. Below the navigation bar, there are four large teal-colored boxes with white text and yellow buttons. The first box is titled "File a Return & Pay Taxes" and has a button "File & Make a Payment". The second box is titled "Register for a Permit" and has a button "Register Online". The third box is titled "Received a Letter or Notice?" and has a button "Letters and Notices".



## Industry & Tax and Fee Guides



The California Department of Tax and Fee Administration's (CDTFA) Industry & Tax and Fee Guides are a one-stop-shop for owners and operators looking for relevant information on key tax and fee issues.

Each Industry Guide covers the most common industry issues, and includes links to relevant resources, all in a convenient tab-based format.

Each Tax and Fee Guide provides information regarding certain tax or fee topics.

These guides are a source of basic information that complement the CDTFA's many online publications, and are not a substitute for any applicable laws and regulations.

If you have any suggestions for improving these guides, please [email](#) them to us.

### Industry Guides

- > [Agricultural Industry \(español\)](#)
- > [Alteration or Tailoring](#)
- > [Auto Repair Garages \(español\)](#)
- > [Barbers and Beauty Shops](#)
- > [Beer, Brewers and Distributors](#)
- > [Cannabis Businesses](#)
- > [Caterers](#)

### Tax and Fee Guides

- > [Cigarette and Tobacco Products](#)
- > [Film & Television](#)
- > [Lead-Acid Battery Fees](#)
- > [Lumber Products](#)
- > [Manufacturing and Research & Development Equipment Exemption \(español\)](#)
- > [\(中文\)](#)
- > [Marketplace Facilitator Act](#)



CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

Search CDTFA

How Do I... Tax Programs Tax Resources Join Us

# Tax Guide *for* Cannabis Businesses

Overview Getting Started Distributors Retailers Cultivators Manufacturers Videos Tax Facts **Resources**

*We will continue to update this page as we receive information about the taxation requirements for the cannabis industry.*

**Please note:** This guide is intended to provide general information regarding issues relating to the Sales and Use Tax Laws, Cannabis Tax Law, and other programs administered by California Department of Tax and Fee Administration (CDTFA) that may affect cannabis businesses. It is not intended to provide advice or guidance related to other state and local statutes and regulations relating to the cannabis industry. Additionally, for the Federal Government's guidance regarding marijuana enforcement, refer to the [U.S. Department of Justice website](#).

## New Information

**Cultivation Tax Rate Increase** - Beginning January 1, 2022, the cultivation tax rates reflect an adjustment for inflation as required by the Cannabis Tax Law. The adjusted rates for each category shown below will be reflected on the monthly and quarterly cannabis tax returns beginning January 1, 2022.



# Cannabis Regulations

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[Regulation 3700, Cannabis Excise and Cultivation Taxes](#)

[Regulation 3702, California Cannabis Track-and-Trace](#)

Other Regulations:

[Regulation 1316, Exempt Uses of Fuel in a Motor Vehicle](#)

[Regulation 1431, Diesel Fuel Used on a Farm for Farming Purposes](#)

[Regulation 1533.1, Farm Equipment and Machinery](#)

[Regulation 1533.2, Diesel Fuel Used in Farming Activities or Food Processing](#)

[Regulation 1588, Seeds, Plants and Fertilizer](#)

[Regulation 1589, Containers and Labels](#)

[Regulation 1628, Transportation Charges](#)

[Regulation 1668, Sales for Resale](#)

[Regulation 1700, Reimbursement for Sales Tax](#)



# Department of Cannabis Control

[www.cannabis.ca.gov/](http://www.cannabis.ca.gov/)

The screenshot shows the homepage of the Department of Cannabis Control, California. At the top left is the department's logo, a stylized cannabis leaf. To its right is the text "Department of Cannabis Control CALIFORNIA". A search bar is located to the right of the logo. Below the logo and search bar is a navigation menu with the following items: "Applicants", "Licensees", "Consumers", "Resources", and "About us", each with a downward arrow. A yellow warning banner is present, stating: "A batch of packaged cannabis flower is being recalled due to Aspergillus contamination. [Learn more.](#)" Below the banner is a featured article titled "Fee assistance is available for equity businesses". The article text reads: "Read the equity criteria to see if you're eligible to have your license or renewal fee waived." and includes a "Learn more" button. To the right of the article is a photograph of a cannabis plant. Below the article is a "Get started" section with three buttons: "Apply for a license", "Search for a license", and "File a complaint", each with a right-pointing arrow.



# Customer Service Center



Customer service representatives can walk you through your tax return or the registration process, as well as answer your general tax questions.

1-800-400-7115

CRS:711 for the hearing and speech impaired

Monday–Friday from 7:30 a.m. to 5:00 p.m. (Pacific time),  
except state holidays.



24-hour voice recordings on specific topics.



# Sign Up for CDTFA Updates

[www.cdtfa.ca.gov/subscribe/](http://www.cdtfa.ca.gov/subscribe/)

**CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION** Search CDTFA

How Do I... ▾ Tax Programs ▾ Tax Resources ▾ Join Us ▾

## Sign Up for CDTFA Updates [Privacy Notice on Collection](#)

Subscribe to our email lists and receive the latest news provided by our programs, including newsletters, tax and fee updates, public meeting agendas, and other announcements. Check the box(es) and subscribe to one or more items at a time, or click on a link and go to that individual subscription page to sign up.

**GENERAL**

- [CDTFA Updates](#) (Notices regarding tax rate changes, Tax Information Bulletins, Special News Releases, updates to the CDTFA's Annual Report, and more.)
- [CDTFA Outreach Event Notification](#)
- [Announcement of Proposed Regulatory Change](#)
- [Taxpayers' Bill of Rights Meeting](#)
- [Local Jurisdiction Notification](#)
- [Proposition 19 Updates](#)

**TAX PROGRAMS**

**Current Legal Digests**

- [Current Legal Digest – Sales & Use / Special Taxes](#)
- Business Taxes and Fees**
  - [Cannabis Outreach](#)
  - [S&U Updates](#)
  - [Special Taxes and Fees Updates](#) (Notices, Newsletters, Related Information)
  - [Timber Tax Notices](#)



# Taxpayers' Rights Advocate

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1-888-324-2798

If you are unable to resolve any tax issues through normal channels with CDTFA or if you would like more information regarding your rights, contact the Taxpayers' Rights Advocate Office at

[www.cdtfa.ca.gov/tra/](http://www.cdtfa.ca.gov/tra/)





# Questions?

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**CDTFA**  
CALIFORNIA DEPARTMENT OF  
TAX AND FEE ADMINISTRATION

**We wish you success  
in your business  
venture!**