

# CANNABIS SPECIAL NOTICE

## Cannabis Mark-Up Rate Remains at 80 Percent for 2021

The California Department of Tax and Fee Administration (CDTFA) is responsible for determining the cannabis mark-up rate every six months. The CDTFA has determined the cannabis mark-up rate will remain unchanged at **80 percent** for the remainder of the 2021 calendar year. To make this determination, the CDTFA analyzed statewide market data to calculate the mark-up rate between the wholesale cost and the retail selling price of cannabis and cannabis products.

The cannabis excise tax is 15 percent of the average market price of the cannabis or cannabis products sold in a retail sale. The mark-up rate must be used by distributors to compute the average market price of cannabis or cannabis products sold or transferred to a retailer in an arm's length transaction. In these transactions, the average market price is the retailer's wholesale cost of the cannabis or cannabis products plus the mark-up rate determined by the CDTFA. Examples on how to calculate the cannabis excise tax can be found on the [Tax Guide for Cannabis Businesses](#) under the *Distributors* tab.

For current and prior cannabis mark-up rates, see our *Special Taxes and Fees* rate page at [www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm](http://www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm), under the heading, *Cannabis Taxes*.

### For more information

We encourage you to read our online *Tax Guide for Cannabis Businesses* at [www.cdtfa.ca.gov/industry/cannabis.htm](http://www.cdtfa.ca.gov/industry/cannabis.htm). You may also call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. When calling, select the option for *Special Taxes and Fees*.