

CANNABIS SPECIAL NOTICE

Cannabis Tax Collection and Remittance Responsibilities for Distributors Ending

On and after January 1, 2023, distributors, including microbusinesses that distribute cannabis, will no longer be responsible for collecting and paying the cannabis excise tax to the California Department of Tax and Fee Administration (CDTFA) for cannabis or cannabis products sold or transferred to cannabis retailers.

Cannabis tax account

- Distributors will no longer be required to hold a cannabis tax account with us.
- We will close distributors' cannabis tax accounts effective December 31, 2022.
- We will notify all distributors once their cannabis tax accounts are closed.
- Distributors selling tangible personal property in California must still hold a sales and use tax account after their cannabis tax account is closed.

Cannabis excise tax

- Distributors must stop collecting cannabis excise tax from cannabis retailers for cannabis or cannabis products sold or transferred on and after January 1, 2023.
- Distributors should ensure that the invoice, receipt, or similar documentation required to be provided to cannabis retailers for cannabis or cannabis products sold or transferred prior to January 1, 2023, includes the cannabis excise tax amount and the date of sale or transfer.

Cannabis tax return

- The last reporting period for cannabis taxes due from distributors is December 2022 for monthly filers and Fourth Quarter 2022 for quarterly filers.
- The final cannabis tax return required to be filed by distributors for monthly and quarterly filers is due January 31, 2023.

We encourage you to read our online *Tax Guide for Cannabis Businesses* at www.cdtfa.ca.gov/industry/cannabis.htm, for more about the end of distributor responsibilities.

For more information

Please visit our website at www.cdtfa.ca.gov or call our Customer Service Center at 1-800-400-7115 (CRS:711), then select the option for *Special Taxes and Fees*. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.