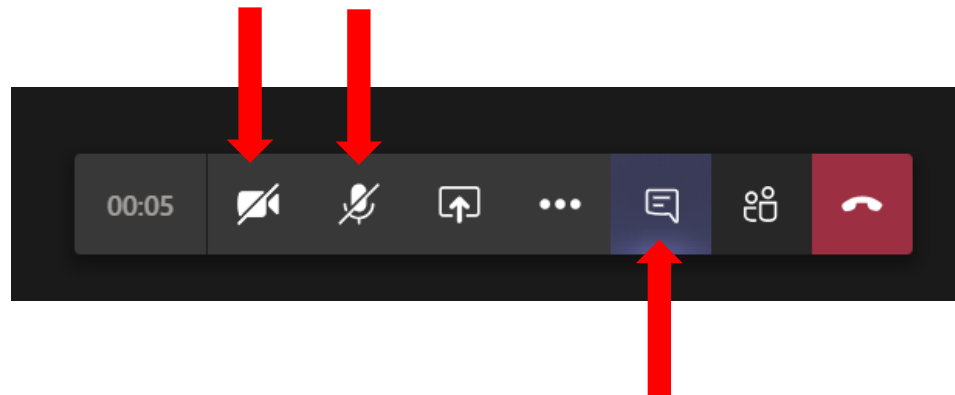




CDTFA
CALIFORNIA DEPARTMENT OF
TAX AND FEE ADMINISTRATION

Thank you for joining our webinar.

Please turn off your microphone and camera.

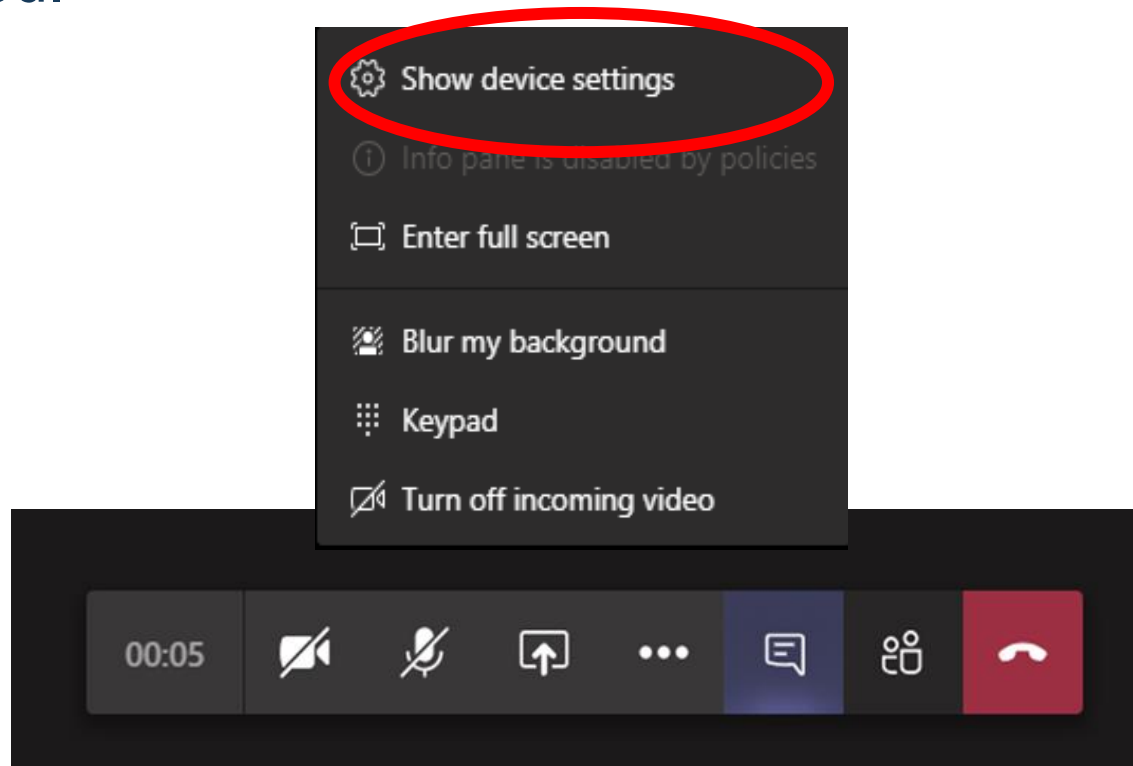


If you have any questions, they can be submitted using the chat feature.

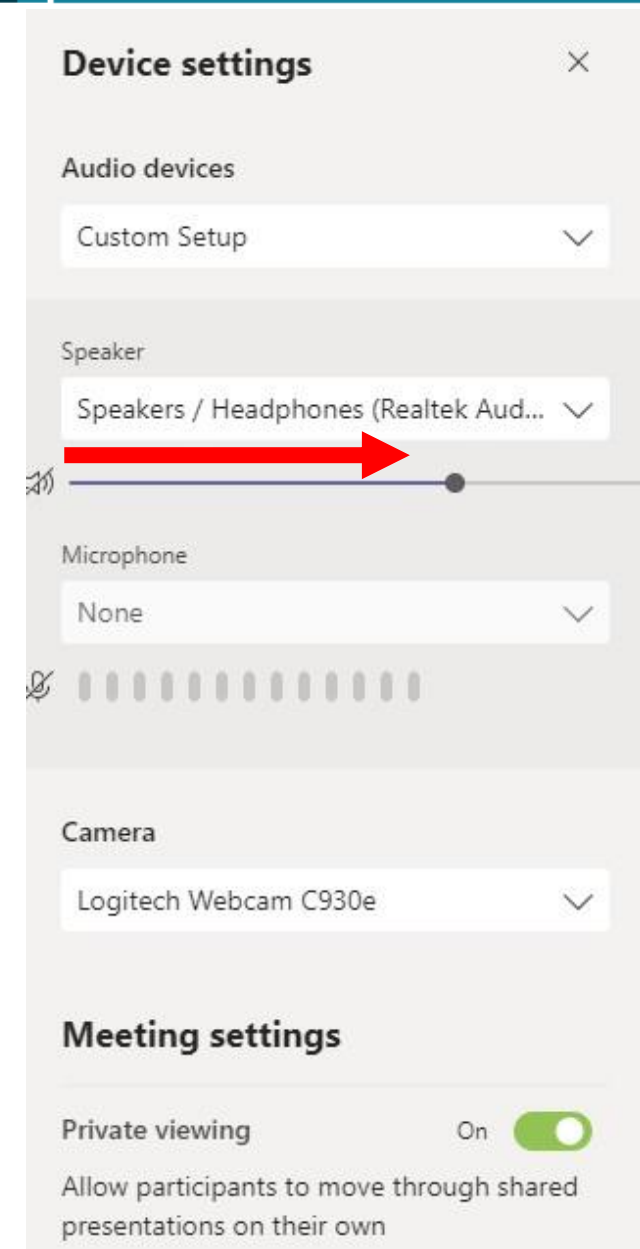


CDTFA
CALIFORNIA DEPARTMENT OF
TAX AND FEE ADMINISTRATION

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/ 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



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

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/ 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".

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



Online Services

Register a New Business Activity *(continued)*

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Register a Business Activity

QUESTIONNAIRE

My Business Activity In

QUESTIONNAIRE

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)

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Register a Business Activity

QUESTIONNAIRE

My Business Activity In

Sales in California (1/2)

QUESTIONNAIRE

My Business Activity Includes:

Selling Items or Goods in California

Alcoholic beverages

Required

Yes

No

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:

- 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.

Yes

No

Selling Covered Electronic Devices (CED's) greater than 4 inches diagonally. (Cell phones are not subject to E-waste Fee) CED's include:

- 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)*

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Register a Business Activity

QUESTIONNAIRE

QUESTIONNAIRE

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).

<input type="checkbox"/>	Yes	<input type="checkbox"/>	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.

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------	-----	--------------------------	----

Retail sales of prepaid wireless services

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------	-----	--------------------------	----

Selling and/or manufacturing lead-acid batteries

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------	-----	--------------------------	----

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



Online Services

Register a New Business Activity *(continued)*

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Register a Business Activity

QUESTIONNAIRE

My Business Activity In

Sales in California (1/2)

Sales in California (2/2)

Cannabis or cannabis

QUESTIONNAIRE

My Business Activity Includes:

Selling cannabis or cannabis products

Selling cannabis or cannabis products at retail

Required ☐ Yes ☐ No

Save Draft Cancel

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Online Services

Register a New Business Activity *(continued)*

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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

37



Online Services

Register a New Business Activity *(continued)*

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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 checked="" type="checkbox"/> 456110	Pharmacies and Drug Retailers	<input checked="" type="radio"/>

Save Draft

Cancel

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Online Services

Register a New Business Activity *(continued)*

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Register a Business Activity

QUESTIONNAIRE

TAXPAYER INFORMATION

Address Information

Individual Information

Business Contacts

BUSINESS INFORMATION

Sales

NAICS CODES

Additional Business Activities

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

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Online Services

Register a New Business Activity *(continued)*

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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

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Online Services

Register a New Location

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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".

Logon

Alerts

I Want To

> cre
cre@cre.com
+1 834- 743-7328
Last logged on 01-Jul-2024
Balance: \$0.00

3 unread messages

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



Online Services

Register a New Location

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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



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 Excise	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)

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Cannabis Retailer Excise Tax

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

Account

CRE CANNABIS
125-183944

Cannabis Retailer Excise Tax
265-646080

Balance: \$0.00

Account Alerts

File return for 30-Sep-2023

File return for 30-Jun-2023

File return for 31-Mar-2023

1 unread message

I Want To

File and/or View a Return

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View Prior Payments

Request a Filing Extension

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Online Services

Print Cannabis Retailer Excise Tax Permit

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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

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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.
- 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

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Submit a Relief Request

Submit a request for relief of penalty, interest, and/or cost of collection recovery fee

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If you believe you have paid more tax than you owe, you may file a claim for refund

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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

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Vendor Compensation Application

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.

Cancel

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Site Selection

Contact Information

Contact Name

CRE

Contact Phone

(834)-743-7328

Contact Email

CRE@CRE.COM

Select the location for vendor compensation

Locations

Location	Seller's Permit	DCC License Num	Street	Street2	City	State	Country	Unit Type	Unit	Zip
	232-091648	C10-1234567-LIC	123 N MAIN ST		ADIN	CA	USA			96006-8020

Cancel

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Online Services

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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"/>

Cancel

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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	E20-03-358.pdf	240	Remove
Proof of DCC Cannabis Lice	E20-03-307.pdf	249	Remove

2 Rows

Cancel

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Submit

Tax Guide for Cannabis Businesses

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

www.cdtfa.ca.gov/industry/cannabis.htm.



The screenshot shows the CDTFA website header with the logo and a search bar. Below the header is a navigation bar with four main categories: 'How Do I...', 'Tax Programs', 'Tax Resources', and 'Join Us'. The 'Tax Resources' category is expanded, showing a list of links: 'Calculators', 'Events & Education', 'Forms & Publications', 'Industry Guides' (which is circled in yellow), and 'Information for Local Jurisdictions and Districts'. To the left of the 'Tax Resources' menu are two large teal boxes: 'File a Return & Pay Taxes' with a 'File & Make a Payment' button, and 'Register for a Permit' with a 'Register Online' button. To the right of the 'Tax Resources' menu is a large teal box titled 'Received a Letter or Notice?' with a 'Letters and Notices' button.

File a Return & Pay Taxes
File a return or make a payment online by logging into our secure site using your username and password.
File & Make a Payment


Register for a Permit
Online registration is a convenient, fast, and free way to register online for a permit, license, or account with the CDTFA.
Register Online

Tax Resources


- Calculators
- Events & Education
- Forms & Publications
- Industry Guides**
- Information for Local Jurisdictions and Districts

Received a Letter or Notice?
Did you receive a notice or letter from us? See our Letters and Notices page to learn more.
Letters and Notices




**CALIFORNIA DEPARTMENT OF
TAX AND FEE ADMINISTRATION**

Search CDTFA 

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

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

[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/



Department of
Cannabis Control
CALIFORNIA


[Applicants](#) [Licensees](#) [Consumers](#) [Resources](#) [About us](#)

⚠ A batch of packaged cannabis flower is being recalled due to Aspergillus contamination. [Learn more.](#)

Fee assistance is available for equity businesses

Read the equity criteria to see if you're eligible to have your license or renewal fee waived.

[Learn more](#)



Get started

[Apply for a license](#) [Search for a license](#) [File a complaint](#)

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/

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

Sign Up for CDTFA Updates

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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](#)
- ☐ [BTS Updates](#)
- ☐ [Special Taxes and Fees Updates](#) (Notices, Newsletters, Related Information)
- ☐ [Timber Tax Notices](#)

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Taxpayers' Rights Advocate

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/





Questions?



CDTFA
CALIFORNIA DEPARTMENT OF
TAX AND FEE ADMINISTRATION

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