

# CITY OF OAKLAND



FINANCE DEPARTMENT ▪ 150 FRANK H. OGAWA PLAZA ▪ SUITE 5342 ▪ OAKLAND, CA 94612-2093  
Revenue Management Bureau (510) 238-3084

December 10, 2025

## IMPORTANT NOTIFICATION 2026 CANNABIS BUSINESS TAX RENEWAL NOTICE

**Declaration and payment must be postmarked by March 2, 2026**

Please review this notice carefully as it outlines the requirements for your filing and paying the City of Oakland 2026 Cannabis Business Tax.

**Business Tax payment is required to maintain any local authorization or permit from the City of Oakland for cannabis activities.**

### CANNABIS BUSINESS TAX RATES SCHEDULE

The tax rate for 2026 remains the same as the rates established in 2022.

2022 & AFTER CANNABIS BUSINESS TAX RATES					
	Retail (store-front & delivery)	Indoor Cultivation	Outdoor Cultivation	Manufacturing Packaging & Storage	Distribution
Equity					
\$0 - \$1.5M	0.12%	0.12%	0.12%	0.12%	0.12%
\$1.5M - \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-marginal)	5.00% (Non-marginal)	5.00%	5.00%	4.00%
General (Non-Equity)					
\$0 - \$750K	0.12%	0.12%	0.12%	0.12%	0.12%
\$750K+ - \$1.5M	4.00%	4.00%	3.50%	3.50%	2.50%
\$1.5M+ = \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-marginal)	5.00% (Non-marginal)	5.00%	5.00%	4.00%

### CANNABIS BUSINESS TAX REBATE PROGRAMS

Cannabis businesses would be entitled to the rebate of a portion of the taxes paid for 2026 Tax Year and, if applicable, 2025 Tax Year. The rebate programs are as follows:

2026 CANNABIS BUSINESS TAX REBATE PROGRAMS			
Rebate Program	Rebate Conditions	Qualifying Period	Rebate Amount
Local Hiring Rebate (5.04.267.B.2.a.)	I. 30% of workforce consists of "Equity Employees"	182 Days	0.50%
	II. 25% of workforce consists of Equity Employees in "Essential Roles"	182 Days	0.50%
	III. 20% of workforce consists of Equity Employees in "Managerial Roles"	182 Days	0.50%
Equity Supply Chain (5.04.267.B.2.b.)	I. 30% of value of cannabis products delivered to the business were delivered by an Equity Business	365 Days	0.50%
	II. 25% of value of cannabis products delivered to the business was originally cultivated or manufactured by an Equity Business	365 Days	0.50%
Workforce Quality of Life (5.04.267.B.2.c.)	I. \$20/hr. with health benefits <u>or</u> \$25/hr. without health benefits for all employees	365 Days	0.50%
	II. 80% of total employees are full-time employees	365 Days	0.25%
Incubation (5.04.267.B.2.d.)	I. Provide free rent to Equity Business beyond the initial three-year period	Year 4th	0.5% - 1.50%*
	II. Provide free rent to Equity Business in the tax year, but does not seek "permitting priority"	365 Days	0.5% - 1.50%*
	* Incubation Rebate Amount is based on 2025 total gross receipts: Less than \$2M = 1.5%; Up to \$7.5M = 1%; Greater than \$7.5M but less than \$12.5M = 0.5%; Greater than \$12.5M = no rebate.		
<b>IMPORTANT NOTE: No business shall be entitled to any rebate that would result in an effective tax rate below 2.5 percent for the 2026 Tax Year. In other words, all cannabis businesses shall be subject to a minimum tax rate of 2.5 percent, irrespective of the number or amount of rebates otherwise available.</b>			

**Form of Rebate:** Any cannabis business entitled to rebates may elect to be paid by check or to be paid in the form of a credit for any future business taxes owed. If the business elected for the rebates to be paid by check, the City shall make such payment to any business entitled to a rebate within sixty (60) days of the business submitting all documentation requested.

Taxpayer has one (1) year from the date of the tax payment to file for a refund claim. Please refer to Oakland Municipal Code Sections 5.04.267, 5.04.270 and 5.04.510. Oakland Municipal Code can be found by visiting [https://library.municode.com/ca/oakland/codes/code\\_of\\_ordinances](https://library.municode.com/ca/oakland/codes/code_of_ordinances)

## CANNABIS BUSINESS TAX RENEWAL FILING AND PAYMENT DUE DATE

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Oakland Municipal Code Sections 5.04.240 and 5.04.245 outline the requirements for the payment of Business Tax and its annual renewal, as follows:

- Select the appropriate form: “**Form 2026, Equity Cannabis Business**” or “**Form 2026, General (Non-Equity) Cannabis Business**” (see *Cannabis Business Tax Declaration Forms* below for more information).
- Complete the form, **sign and date** it.
- Mail the completed declaration and payment by **March 2, 2026**, to avoid applicable penalties, interest, and fees.

## CANNABIS BUSINESS TAX DECLARATION FORMS

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The form number is located in the top-right corner of the form.

**Form 2026 General (Non-Equity) Cannabis Business**: Applicable to cannabis businesses not certified as equity businesses.

**Form 2026 Equity Cannabis Business**: Applicable to Equity Cannabis Businesses Only. To be eligible for the Equity-only tax rate, Equity Cannabis Business must have already submitted a completed application and received a confirmation email from the City Administrator’s Office of Cannabis Permits (see enclosed Sample Equity Cannabis Confirmation Email). **A copy of the confirmation email must accompany the Declaration form to receive the Equity-Only tax rate.**

Oakland Municipal Code Sections 5.80.050 and 5.81.060 define an “Equity Business” whose ownership or owner:

- is an Oakland resident; and,
- in the last year, had an annual income at or less than 80 percent of Oakland Average Medium Income, which is to be adjusted for household size; and,
- either has lived in any combination of Oakland’s Police Beat 2X, 2Y, 6X, 7X, 19X, 21X, 216, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X AND 35X for at least 10 of the last 20 years or was arrested after November 5, 1996, and convicted of a cannabis crime committed in Oakland.

## CALCULATION OF CANNABIS BUSINESS TAXES

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### Marginal vs. Non-Marginal Tax Rates:

**Marginal tax rates** apply different tax rates to different levels of gross receipts, while a **non-marginal tax rate** applies a single tax rate to the entire amount of gross receipts.

The adopted 2022 Cannabis Business Tax Rates are marginal tax rates. Non-marginal tax rates apply to cannabis businesses engaged in the sale of cannabis (storefront retail or delivery) or indoor cultivation that generated more than \$5 million in total gross receipts in 2025 or are projected to generate more than \$5 million in total gross receipts in 2026.

## VERTICALLY INTEGRATED CANNABIS BUSINESSES

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A “Vertically Integrated Cannabis Business” is a business that generates gross receipts from more than one taxable activity or operation, such as those that are licensed as a Microbusiness from the California Cannabis Bureau of Control.

The applicable tax rate is the tax rate that produces the highest amount of the taxes owed based on the total gross receipts generated by the business without respect to the portion of gross receipts generated from any particular taxable activity (OMC § 5.04.205.(P)(3)).

## RELATED ENTITIES AND MASTER CERTIFICATE

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All persons and their related entities, such as a subsidiary or subsidiaries that are wholly owned by another company or an entity engaging in similarly categorized business activities from separate branch establishments or places of business shall be required to aggregate the gross receipts attributable to the City and file one tax declaration for all the related entities or places of businesses. (OMC § 5.04.310 and OMC § 5.04.320).

## SUMMARY

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The following is a matrix summarizing the above-mentioned requirements and the timeline upon which cannabis businesses need to timely report and/or pay the taxes in order to retain the local authorization for state licenses.

The Year the Business established	Tax Years Needed to Pay	What to do by March 2, 2026	When to Pay
Before 2025	2026	Declare 2025 Gross Receipts	March 2, 2026
In 2025	2025 and 2026	Declare 2025 Gross Receipts and Estimated 2026 Gross Receipts	March 2, 2026

## CANNABIS BUSINESS TAX PAYMENT PLAN

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Payment plans will continue to be provided for those with a 2026 tax obligation in excess of \$25,000. Please reach out to our office for details.

Cannabis businesses with active payment plans are required to continue making payment as required.

## DEDUCTIBLE COSTS

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Cannabis businesses engaging in cultivation and manufacturing operations can deduct the cost of raw materials from the gross receipts. The costs of raw materials are for any materials, excluding pre-packaging or finished products, used in the cultivation and/or the manufacturing process of cannabis. No other costs can be deducted.

## APPORTIONMENT GUIDELINES

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Taxpayers who are engaged in business activities within and outside the city may be entitled to apportionment of gross receipts. Gross receipts are subject to apportionment only when the taxpayer can document that the gross receipts are attributed to substantial out-of-city activities. It is the responsibility of the taxpayer to request in writing for an apportionment of the gross receipts and provide the necessary documentation to support out-of-city activities. Otherwise, no apportionment and/or exclusion will be allowed.

OMC Section 5.04.270(D): The City Administrator may issue guidelines to be used to determine the appropriate apportionment method for any given business. Such guidelines may be general or specific to a particular industry or industries.

For the Apportionment Guideline for cannabis businesses, please visit <https://cao-94612.s3.amazonaws.com/documents/ruling10.pdf> for information. If apportionment is claimed, please attach a separate sheet detailing 1) the total gross receipts, 2) the amount of gross receipts apportioned from the total gross receipts, 3) the local jurisdiction(s) in which the business activities occur, and 4) the applicable business license number or business tax certificate number issued from the local jurisdiction(s) from which your company engages in the business.

## PRIOR UNPAID TAXES

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Businesses with prior unpaid taxes should contact the Finance Department to make arrangement for the payment of unpaid taxes to avoid the possibility of having the City's permit and local authorization for state license(s) revoked, assessment of taxes and charges that could be substantial and possible legal action.

## QUESTIONS

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If you need to make an appointment, require assistance in the calculation of the tax or have questions, please contact the Finance Department – Revenue Audit Unit at (510) 238-3084 or at [Audit@OaklandCA.gov](mailto:Audit@OaklandCA.gov).

As always, the City of Oakland values its business relationship with and looks forward to working with you to ensure your timely filing and paying the Business Tax to retain the local authorization for your state license.

### **Encl.**

City of Oakland 2026 Cannabis Business Tax Declaration Forms  
Sample Equity Cannabis Confirmation Email



CITY OF OAKLAND – 2026 CANNABIS BUSINESS TAX RENEWAL DECLARATION

DELINQUENT IF PAID or POSTMARKED AFTER MARCH 2, 2026

SECTION I – BUSINESS INFORMATION

1. Business Tax No.:\_\_\_\_\_

3. Business Name:\_\_\_\_\_

2. Mailing Address:\_\_\_\_\_

4a. Business Location:\_\_\_\_\_

4b. Business Type:\_\_\_\_\_(R=Retail; IC=Indoor Cultivation; OC=Outdoor Cultivation; M=Manufacturing; D=Distribution; V=Vertically Integrated)

4c. Numbers of employees: Full time: \_\_\_\_\_ Part Time: \_\_\_\_\_ Total (full time + part time): \_\_\_\_\_

SECTION II – CLOSE ACCOUNT

Oakland Municipal Code 5.04.300(J) requires written documentation if the business is not intended to continue beyond December 31 in any given year. If this business was sold or discontinued within Oakland in 2025, enter the last date any business activity occurred:  
Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_ then skip to Section IV.  
Any business that was operated, sold or discontinued after January 1, 2026, is required to complete the remainder of this Declaration.

SECTION III – BUSINESS TAX CALCULATION

PLEASE REVIEW ATTACHED NOTIFICATION FOR INSTRUCTIONS						2026 TAX YEAR	
5	TOTAL GROSS RECEIPTS GENERATED IN 2025 <small>Note: For R, IC, and V that generated more than \$5,000,000; skip to Line 13</small>						\$
FOR FIRST \$750,000							
6	<ul style="list-style-type: none"><li>If Line 5 is less than \$50,000; <u>enter \$60</u>, then skip to Line 14</li><li>If Line 5 is more than \$50,000 but less than \$750,000; multiply Line 5 by 0.0012, then skip to Line 14</li><li>If Line 5 is equal to \$750,000; <u>enter \$900</u>, then skip to Line 14</li><li>If Line 5 is more than \$750,000; <u>enter \$900</u> and proceed to Line 7</li></ul>						\$
AMOUNT OVER \$750,000							
7	<u>Methodology:</u> If Line 5 is more than \$750,000 but less than \$1,500,000; subtract \$750,000 from Line 5, <u>enter the remaining in dollar amount</u> , use Line 8 to calculate tax due <u>Methodology:</u> If Line 5 is more than \$1,500,000; <u>enter \$750,000</u> and complete Line 8, then proceed to Line 9						\$
8	TAX DUE [Multiply Line 7 x the tax rate (see below for 2026 Tax Rates for business type shown on Line 4b)]						\$
AMOUNT OVER \$1,500,000							
9	<u>Methodology:</u> If Line 5 is more than \$1,500,000 but less than \$5,000,000; subtract \$1,500,000 from Line 5, <u>enter the remaining in dollar amount</u> , use Line 10 to calculate tax due <u>Methodology:</u> If Line 5 is more than \$5,000,000; <u>enter \$3,500,000</u> and complete Line 10, then proceed to Line 11						\$
10	TAX DUE [Multiply Line 9 x the tax rate (see below for 2026 Tax Rates for business type shown on Line 4b)]						\$
AMOUNT OVER \$5,000,000 FOR OC, M, D ONLY. COMPLETE LINE 11							
11	<u>Methodology:</u> Subtract \$5,000,000 from Line 5, <u>enter the remaining dollar amount</u> , use Line 12 to calculate tax due						\$
12	TAX DUE [Multiply Line 11 x the tax rate (see below for 2026 Tax Rates for business type shown on Line 4b)], then skip to Line 14						\$
FOR R, IC, AND V GENERATING MORE THAN \$5,000,000. COMPLETE LINE 13							
13	TAX DUE (Multiply Line 5 x 0.050), Non-Marginal Tax Rate						\$
14	SUBTOTAL TAX DUE (Add Lines 6, 8, 10, 12 & 13)						\$
15	PENALTY <u>After 3/2/2026:</u> (Multiply Line 14 by 10%) <b>OR</b> <u>After 5/1/2026:</u> (Multiply Line 14 by 35%)						\$
16	INTEREST <u>After 3/2/2026:</u> (Add Line 14 + Line 15 x 1% x the # of months late)						\$
17	RECORDATION/TECHNOLOGY FEE & STATE DISABILITY ACCESS & EDUCATION FEE						\$ 9.00
18	MEASURE FF, MINIMUM WAGE & LABOR STANDARDS ENFORCEMENT FEE (\$6.50 per employee) Multiply the Total on Line 4c by \$6.50.						\$
19	TOTAL AMOUNT DUE (Add Lines 14 through 15)						\$

2026 Tax Rates											
Equity Cannabis						General (Non-Equity) Cannabis					
	Retail (store-front & delivery)	Indoor Cultivation	Outdoor Cultivation	Manufacturing Packaging & Storage	Distribution		Retail (store-front & delivery)	Indoor Cultivation	Outdoor Cultivation	Manufacturing Packaging & Storage	Distribution
Business Type	R	IC	OC	M	D	Business Type	R	IC	OC	M	D
\$0 - \$1.5M	0.12%	0.12%	0.12%	0.12%	0.12%	\$0 - \$750K	0.12%	0.12%	0.12%	0.12%	0.12%
\$1.5M+ - \$5M	5.00%	5.00%	4.50%	4.50%	3.00%	\$750K+ - \$1.5M	4.00%	4.00%	3.50%	3.50%	2.50%
						\$1.5M+ - \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%	Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%

SECTION IV – SIGNATURE

I hereby declare, under penalty of perjury, that the information contained herein is to the best of my knowledge, true and complete.

Print Name	Title	Signature	Date

Phone Number:

Email Address:

SECTION V – DEMOGRAPHIC INFORMATION

The collection of demographic information is necessary to the City’s ability to check equity progress related to business development in Oakland. With this knowledge the City can improve our approach to business stabilization support services and over time verify that our efforts are producing fair and just outcomes for all business owners in the City of Oakland. Your participation in this effort is greatly appreciated.

A. Business Owner Gender (select one):  
☐ Female  
☐ Male  
☐ Non-Binary  
☐ Multiple Owners  
☐ Decline to State

B. Business Owner Race/Ethnicity (select one):  

☐ African American / Black  
☐ American Indian / Alaskan Native  
☐ Asian / Asian American

☐ Latino / Hispanic  
☐ Native Hawaiian / Pacific Islander  
☐ White

☐ Multi-Racial  
☐ Other  
☐ Multiple Owners  
☐ Decline to State



CITY OF OAKLAND – 2026 CANNABIS BUSINESS TAX RENEWAL DECLARATION

DELINQUENT IF PAID (unless extended) or POSTMARKED AFTER MARCH 2, 2026  
Attach Equity Cannabis Business confirmation email to qualify

SECTION I – BUSINESS INFORMATION

3. Business Tax No.: \_\_\_\_\_

3. Business Name: \_\_\_\_\_

4. Mailing Address: \_\_\_\_\_

4a. Business Location: \_\_\_\_\_

4b. Business Type: \_\_\_\_\_ (R=Retail; IC=Indoor Cultivation; OC=Outdoor Cultivation; M=Manufacturing; D=Distribution; V=Vertically Integrated)

4c. Numbers of employees: Full time: \_\_\_\_\_ Part Time: \_\_\_\_\_ Total (full time + part time): \_\_\_\_\_

SECTION II – CLOSE ACCOUNT

Oakland Municipal Code 5.04.300(J) requires written documentation if the business is not intended to continue beyond December 31 in any given year. If this business was sold or discontinued within Oakland in 2025, enter the last date any business activity occurred:  
Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_ then skip to Section IV.  
Any business that was operated, sold or discontinued after January 1, 2026, is required to complete the remainder of this Declaration.

SECTION III – BUSINESS TAX CALCULATION

PLEASE REVIEW ATTACHED NOTIFICATION FOR INSTRUCTIONS		2026 TAX YEAR
Note: Businesses that generate more than \$5,000,000, complete every step from Line 5 to Line 13		
5	TOTAL GROSS RECEIPTS GENERATED IN 2025	\$
FOR FIRST \$1,500,000		
6	<div>If Line 5 is less than \$50,000; <u>enter \$60</u>, then skip to Line 11</div> <div>If Line 5 is more than \$50,000 but less than \$1,500,000; multiply Line 5 by 0.0012, then skip to Line 11</div> <div>If Line 5 is equal to \$1,500,000; <u>enter \$1,800</u>, then skip to Line 11</div> <div>If Line 5 is more than \$1,500,000; <u>enter \$1,800</u> and proceed to Line 7</div>	\$
AMOUNT OVER \$1,500,000		
7	<div>Methodology: If Line 5 is more than \$1,500,000 but less than \$5,000,000; subtract \$1,500,000 from Line 5, <u>enter the remaining in dollar amount</u>, use Line 8 to calculate tax due</div> <div>Methodology: If Line 5 is more than \$5,000,000; <u>enter 3,500,000</u> and complete Line 8, then proceed to Line 9</div>	\$
8	TAX DUE [Multiply Line 7 x the tax rate (see below for 2026 Tax Rates for business type shown on Line 4b)]	\$
AMOUNT OVER \$5,000,000		
9	Methodology: Non-Marginal Tax Rate	\$
10	TAX DUE (Multiply Line 5 x 0.050), Non-Marginal Tax Rate	\$
11	SUBTOTAL TAX DUE (Add Lines 6, 8 & 10)	\$
12	PENALTY <u>After 3/2/2026</u> : (Multiply Line 11 by 10%) OR <u>After 5/1/2026</u> : (Multiply Line 11 by 35%)	\$
13	INTEREST <u>After 3/2/2026</u> : (Add Line 11 + Line 12 x 1% x the # of months late)	\$
14	RECORDATION/TECHNOLOGY FEE & STATE DISABILITY ACCESS & EDUCATION FEE	\$ 9.00
15	MEASURE FF, MINIMUM WAGE & LABOR STANDARDS ENFORCEMENT FEE (\$6.50 per employee) Multiply the Total on Line 4c by \$6.50.	\$
16	TOTAL AMOUNT DUE (Add Lines 11 through 15)	\$

2026 Tax Rates											
Equity Cannabis						General (Non-Equity) Cannabis					
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Bus. Type	R	IC	OC	M	D	Bus. Type	R	IC	OC	M	D
\$0 - \$1.5M	0.12%	0.12%	0.12%	0.12%	0.12%	\$0 - \$750K	0.12%	0.12%	0.12%	0.12%	0.12%
\$1.5M+ - \$5M	5.00%	5.00%	4.50%	4.50%	3.00%	\$750K+ - \$1.5M	4.00%	4.00%	3.50%	3.50%	2.50%
Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%	\$1.5M+ - \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
						Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%

SECTION IV – SIGNATURE

I hereby declare, under penalty of perjury, that the information contained herein is to the best of my knowledge, true and complete.

Print Name	Title	Signature	Date

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

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A. Business Owner Gender (select one):

☐ Female

☐ Male

☐ Non-Binary

☐ Multiple Owners

☐ Decline to State

B. Business Owner Race/Ethnicity (select one):

☐ African American / Black

☐ American Indian / Alaskan Native

☐ Asian / Asian American

☐ Latino / Hispanic

☐ Native Hawaiian / Pacific Islander

☐ White

☐ Multi-Racial

☐ Other

☐ Multiple Owners

☐ Decline to State

APPLICATION FILED UNDER: XXXXXXXX

EQUITY APPLICANT: XXXXXXXXX

ADDRESS: XXXXXXXXXXXX

Thank you for submitting your cannabis permit application and supporting documents. This email is to confirm that your eligibility as an equity applicant has been reviewed and verified.

As you may be aware, equity applicants are exempt from city permitting fees under OMC 5.80.050(C) and 5.81.060(C).

To avoid paying any building or fire department fees, the equity qualified individual must present this email confirming your equity status along with an ID to the Building/Fire Prevention cashiering staff when you apply/request any Building or Trade permits or inspections.

Alternatively, the equity qualified individual may identify an authorized representative to act on their behalf by completing the attached “Letter of Agency” form and having it notarized. The representative must present this authorization form along with this email to staff to avoid paying City fees. This will help minimize confusion and ensure our limited city resources are spent per the policies determined by our council.

**Please note this fee exemption does not apply to general applicants, including those incubating equity applicants. If the equity applicant is operating at the same property as their general applicant incubator, the equity applicant must provide a floor plan which distinguishes the equity applicant’s space from the general applicant’s space.**