

CANNABIS

SPECIAL NOTICE

New Cannabis Retailer Excise Tax Return

Beginning January 1, 2023, cannabis retailers are responsible for reporting and paying the cannabis excise tax collected from customers for retail sales of cannabis or cannabis products to the California Department of Tax and Fee Administration (CDTFA). The first quarter 2023 (January 1, 2023, through March 31, 2023) return and payment are due on or before May 1, 2023.

Cannabis retailer requirements

- Register with us at www.cdtfa.ca.gov/services/#Register-Renewals for a cannabis retailer excise tax permit.
- Collect the 15 percent cannabis excise tax from your customers based on gross receipts from the retail sale of cannabis or cannabis products.
- Provide each customer with a receipt or invoice that separately states the cannabis excise tax.
- File a cannabis retailer excise tax return online at https://onlineservices.cdtfa.ca.gov/_/ and pay the cannabis excise tax by the due date, which is on or before the last day of the month following each reporting period. If the due date falls on a weekend or state holiday, the due date is extended to the next business day.
 - If you did not make any sales during a reporting period, you must file a zero return on or before the due date.
 - This return and payment for the cannabis retailer excise tax must be submitted separately from other returns and reports that you submit to us, such as your sales and use tax return.

What to expect when you file a cannabis retailer excise tax return

- Your retail sales of cannabis or cannabis products must be reported for each retail location registered under your account. Please be sure to register your retail locations with us before you file your return.
- You may claim a credit for cannabis excise tax you paid to a distributor for cannabis or cannabis products sold or transferred to you before January 1, 2023, that you then **sold** at retail on or after January 1, 2023. The credit must be taken on the return filed for the period in which the retail sale of the cannabis or cannabis products occurred.
- Any cannabis excise tax collected from your customers totaling more than what is due and has not been paid to us must be refunded to the customer that paid or reported it on the return as excess cannabis excise tax collected.

How to prepare before you file a cannabis retailer excise tax return

- Collect your records of your retail sales of cannabis or cannabis products and the records of any cannabis excise tax you paid to a distributor for cannabis or cannabis products sold or transferred to you before January 1, 2023.
- Watch our video tutorial on how to file a cannabis retailer excise tax return that can be found at www.cdtfa.ca.gov/industry/cannabis.htm#Videos.

For more information

Please see our *Tax Guide for Cannabis Businesses* at www.cdtfa.ca.gov/industry/cannabis.htm. You may also 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.