

CANNABIS

SPECIAL NOTICE



Vendor Compensation Ending December 31, 2025

The cannabis vendor compensation program,¹ which allows eligible cannabis retailers to retain 20 percent of the cannabis excise tax due on their retail sales of cannabis or cannabis products, ends on December 31, 2025. No current legislation has extended approval for any cannabis retailer to retain vendor compensation beyond that date. Accordingly, vendor compensation may not be retained from cannabis excise taxes due for retail sales of cannabis or cannabis products that occur after December 31, 2025.

If you are an eligible cannabis retailer and intend to apply to retain vendor compensation, please submit your application to us by September 30, 2025. The last period(s) we can approve you to retain vendor compensation begins October 1, 2025. You can submit your application or renewal by logging into your Online Services account at [//onlineservices.cdtfa.ca.gov/](https://onlineservices.cdtfa.ca.gov/) and selecting your cannabis excise tax account. You will find the application under the *More* section.

If we already approved you to retain vendor compensation through December 31, 2025, you may retain vendor compensation from the cannabis excise taxes reported on your December 2025 monthly return or on your fourth quarter 2025 return. You do not need to take any further action.

For more information

We encourage you to read our online *Tax Guide for Cannabis Businesses* at cdtfa.ca.gov/industry/cannabis/. You may also call our Customer Service Center at 1-800-400-7115 (TTY:711) and 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.

¹ cdtfa.ca.gov/lawguides/vol3/ctl/ctl-34011-1.html and cdtfa.ca.gov/lawguides/vol3/ctr/ctr-reg3810.html