

Text of Proposed Changes to

Title 18. Public Revenues

3801. Cannabis Excise Tax and Cannabis Retailer Excise Tax Permit.

(a) . . . (unchanged).

(b) A cannabis excise tax is imposed upon purchasers of cannabis or cannabis products sold at retail in this state on and after January 1, 2023, pursuant to Revenue and Taxation Code section 34011.2.

(1) The cannabis excise tax rate is 15 percent of the cannabis retailer's gross receipts from any retail sale of cannabis or cannabis products on and after January 1, 2023, and ~~the~~ that rate is subject to adjustment every two years, beginning with the ~~2025-26~~ 2028-29 fiscal year.

(2) Notwithstanding subdivision (b)(1), on and after July 1, 2025, and before October 1, 2025, the cannabis excise tax rate is 19 percent of the cannabis retailer's gross receipts from any retail sale of cannabis or cannabis products.

(3) The cannabis retailer is responsible for collecting the cannabis excise tax from the purchaser, providing the purchaser with an invoice, receipt, or other document that separately states the cannabis excise tax, and remitting that tax to the Department. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to the Department except that an invoice, receipt, or other document given to the purchaser by the cannabis retailer that separately states the cannabis excise tax is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

(c) through (e) . . . (unchanged).

NOTE: Authority cited: Section 34013, Revenue and Taxation Code; and Section 19, Penal Code. Reference: Sections 34011.2, 34014, 34014.1, 34015 and 55302, Revenue and Taxation Code.