

**Updated Informative Digest for the Proposed Adoption
of California Code of Regulations, Title 18, Section 3802,
Gross Receipts from Sales of Cannabis and Cannabis Products,
With Proposed Amendments**

The California Department of Tax and Fee Administration (Department) adopted California Code of Regulations (CCR), title 18, section (Regulation) 3802, Gross Receipts from Sales of Cannabis and Cannabis Products, with the proposed amendments through the regular rulemaking process in the Administrative Procedure Act (APA) (commencing with Gov. Code (GC), § 11340) The Department made one solely grammatical change to replace a period with a comma after “invoice” in subdivision (a) and the change is illustrated in double strikeout and double underline in the final adopted text. The Department did not make any other changes.

There have not been any changes to the applicable laws or the effects of, the objectives of, and anticipated benefits from the adoption of Regulation 3802 with the proposed amendments described in the informative digest included in the notice of proposed regulatory action.

The Department received a timely written comment regarding the proposed regulatory action from Mark Russ at mark.russ@goldflora.com in an email dated April 25, 2025. The Department received a timely written request for a public hearing from Anthony Almaz, as counsel for South Cord Management LLC (Catalyst), in a letter dated May 22, 2025. The Department also received timely written requests for a public hearing from Rachel Wright, CPA, in letters dated May 26, 27, and 28, 2025, submitted on behalf of DTPG Collective, 55 OC Collective, Inc., 2018FMO LLC, City Compassionate Caregivers, Inc., Grupo Flor Corporation, Lynwood Farms, LLC, and Toluca Lake Collective, Inc.

The Department conducted the requested public hearing regarding the proposed regulatory action on June 23, 2025, and the following interested parties commented on the proposed adoption of Regulation 3802 with the proposed amendments: Dana Cisneros from the Cannabis Corporate Law Firm, Elliot Lewis from Catalyst, Josh Lewis from Embark, Andrew DeAngelo former owner and operator of Harborside, Darren Story from Coastal Sun Farms, Hirsh Jain from Anada Strategy and Verdant Strategies, Rachel Wright from Verdant Strategies, Anthony Almaz from Catalyst, and Jerred Kiloh from the United Cannabis Business Association. The interested parties’ oral and written comments are all summarized and responded to in the final statement of reasons.