

More state pot tax funds as compliance increases

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The California Department of Tax and Fee Administration this week released revenue numbers for cannabis sales for the second quarter of 2018. Tax revenue from the cannabis industry totaled \$74,240,257 from April 1, 2018, through June 30, 2018, which includes state cultivation, excise and sales taxes. It does not include tax revenue collected by each jurisdiction.

California's excise tax on cannabis generated \$43,490,668 in revenue during the second quarter of calendar year 2018. The cultivation tax generated \$4,482,119 and the sales tax generated \$26,267,470 in revenue. Medicinal cannabis is exempt from sales tax if the purchaser holds a valid Medical Marijuana Identification card.

The revenue from the first quarter 2018 was \$60.9 million, which included \$32 million in excise tax, and \$27.3 million in sales tax.

In November 2016, California voters approved Proposition 64, The Control, Regulate and Tax Adult Use of Marijuana Act. Beginning on Jan. 1, 2018, two new cannabis taxes went into effect: a cultivation tax on all harvested cannabis that enters the commercial market and a 15 percent excise tax on the purchase of cannabis and cannabis products. In addition, cannabis and cannabis products are subject to state and local sales tax at the time of retail sale.