



# Marijuana Excise Tax

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Special City Council Meeting, July 10, 2017

# Background

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- Voters approved 5% extra tax on certain marijuana transactions in 2015
  - Previously approved 5% tax on “price paid by the purchaser” of marijuana and marijuana products
  - Different from 4.5% sales and use tax and 7% marijuana sales tax
- Opportunity to revisit and clarify tax to confirm intent to apply to wholesale transactions



# Discussion Tonight

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- Refer new ballot measure?
- If yes:
  - Amount of tax?
  - Scope of transactions affected?



# Proposed Tax – Rate & Amount

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- Rate:
  - Increase from prior 5% ?
  - Authorize change up to cap without further approval?
- Taxable Basis:
  - Price for sales transactions
  - Average market value, if none



# Proposed Tax - Scope

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- Items subject to tax:
  - Unprocessed retail marijuana
  - Marijuana products (e.g., plants, oils, edibles, etc.)
- Transactions subject to tax:
  - All wholesale (for resale)
    - Grow to retail or to MIP/processor
    - MIP or other processor to retail
  - Within same business (different license)



# Direction

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- Prepare new ballot question ordinance?
  - Might be as emergency ordinance
  - Ordinance referring new ballot question must be approved by August 7





# Questions?

