



Marijuana Excise Tax Resolution

City Council August 7, 2017

Background

- 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 clarify tax and direct revenue to public safety



Proposed Tax - Scope

- Items subject to tax:
 - Unprocessed retail marijuana
 - Marijuana products (e.g., plants, oils, edibles, etc.)
- Transactions subject to tax:
 - All wholesale transactions (not retail)
 - Includes intra-business (different licenses)



Proposed Tax – Rate & Amount

- Rate:
 - 5% (with authorization to increase or decrease later, not more than 10%)
- Taxable Basis:
 - Average market value for unprocessed marijuana (defined by state law)
 - Greater of price paid or cash value for marijuana products





Questions?

