



Marijuana Excise Tax Ordinance 2156

City Council
March 5, 2018

Background

- Voters approved a 5% tax on wholesale marijuana & marijuana product transfers
 - 2C – 53.14% Yes (3,610) to 46.86% No (3,184)
 - Different from standard sales and use tax (3.5%) and special marijuana sales tax (7%)
 - Captures non-retail sales and addresses impacts of cultivation and manufacturing in the City
 - Dedicated to public safety
- Ordinance needed to implement in 2018



Scope of Approved Ballot Issue

- Items subject to tax:
 - Unprocessed marijuana (at average market rate)
 - Marijuana products (e.g., oils, edibles, etc.)
(at greater of price paid or cash value)
- Rate: 5% (may vary from 0-10%)
- Transactions potentially subject to tax:
 - All wholesale transactions (not retail)
 - Includes intra-business (different licenses)

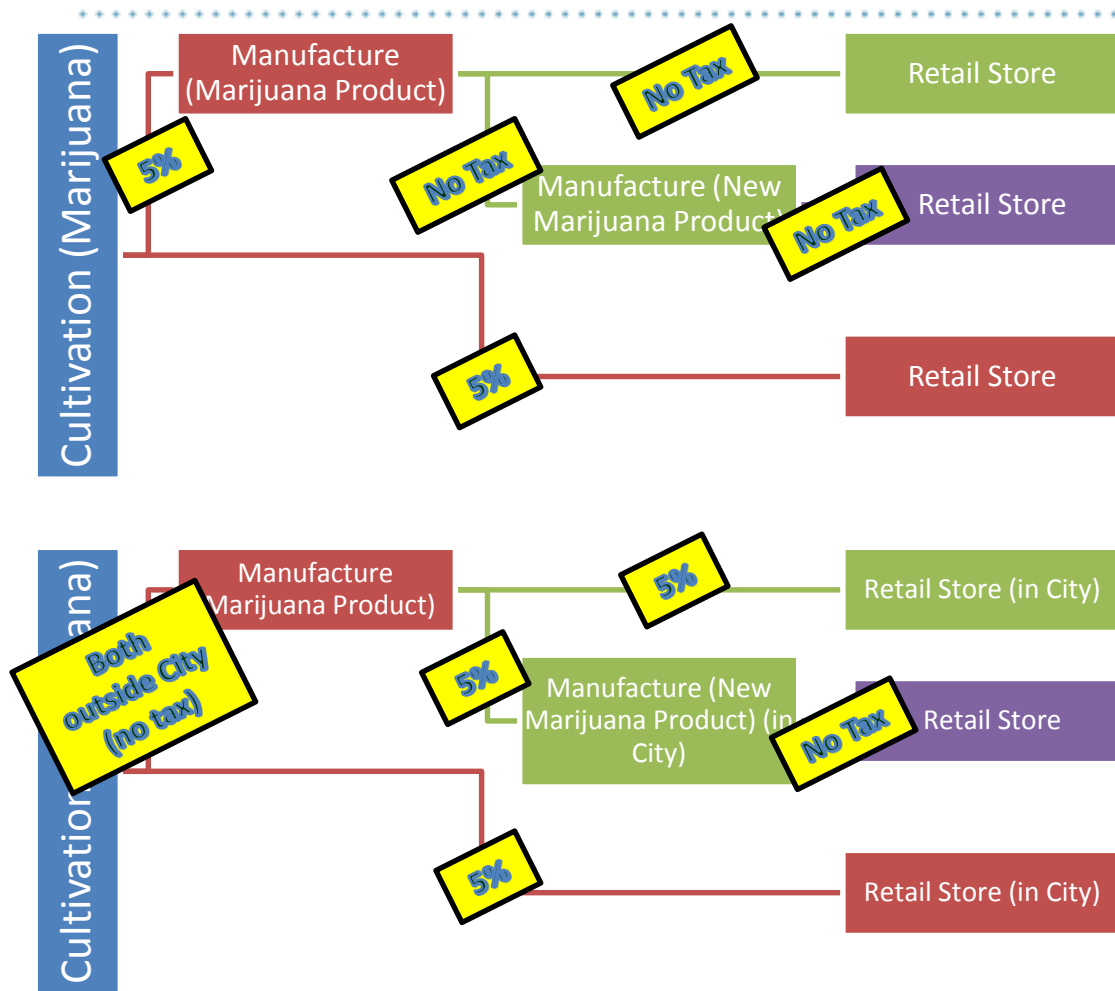


Ordinance 2156

- Taxes first wholesale transfer of marijuana and marijuana products (in whatever form)
 - Avoids double taxation at the wholesale level
- 5% tax rate
- Effective June 1, 2018 to allow outreach
- Updates special marijuana sales tax code provisions



First Transfer at Wholesale Level





End

