

CANNABIS

SPECIAL NOTICE



Reminders for Cannabis Distributors

Distributors will no longer be responsible for collecting cannabis excise tax from retailers for their sales or transfers of cannabis or cannabis products that occur on and after January 1, 2023.

What to expect due to the cannabis excise tax requirements ending for distributors

- Distributors will no longer be required to obtain or hold a cannabis tax permit from us after December 31, 2022.
- We will automatically close all cannabis tax permits and mail a letter to distributors when their permit is closed.
- Distributors must file a final cannabis tax return and pay the excise tax due on or before January 31, 2023, for the following reporting periods:
 - December 2022 for monthly filers, and
 - Fourth quarter 2022 (October 1, 2022, through December 31, 2022) for quarterly filers.

Sales and use tax requirements for distributors continue

- Distributors selling tangible personal property in California, including cannabis or cannabis products, must continue to hold a seller's permit. A distributor must maintain an active seller's permit even if they are only selling at wholesale.
- Distributors are still required to file quarterly sales and use tax returns even if there are no sales to report or all sales are for resale and not subject to sales tax.

For more information

We encourage you to read our online *Tax Guide for Cannabis Businesses* at www.cdtfa.ca.gov/industry/cannabis.htm, for information about cannabis distributor responsibilities.

You may also call our Customer Service Center at 1-800-400-7115 (CRS:711), then select the option for *Special Taxes and Fees*. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except on state holidays.