

Important Notice—Personal Liability for Corporate and Limited Liability Company Cannabis Taxes

Did you know as a corporate director, officer, member, manager, partner, or other person having control or supervision of the filing of returns or payments of taxes, you may become personally liable for any unpaid cannabis taxes, interest, and penalties?

The California Department of Tax and Fee Administration (CDTFA) may pursue collection action against certain corporate, partner, or limited liability company personnel for any unpaid corporate cannabis tax liability. Section 34015.2 of the Revenue and Taxation Code states in part:

- (a) Upon the termination, dissolution, or abandonment of the business of a corporation, partnership, limited partnership, limited liability partnership, or limited liability company, any officer, member, manager, partner, or other person having control or supervision of, or who is charged with the responsibility for the filing of returns or the payment of tax for, or who is under a duty to act for the corporation, partnership, limited partnership, limited liability partnership, or limited liability company in complying with any requirement of [the Cannabis Tax Law], shall, notwithstanding any provision in the Corporations Code to the contrary, be personally liable for any unpaid taxes and interest and penalties on those taxes, if the officer, member, manager, partner, or other person willfully fails to pay or to cause to be paid any taxes due from the corporation, partnership, limited partnership, limited liability partnership, or limited liability company pursuant to [the Cannabis Tax Law].
- (b) The officer, member, manager, partner, or other person shall be liable only for taxes that became due during the period they had the control, supervision, responsibility, or duty to act for the corporation, partnership, limited partnership, limited liability partnership, or limited liability company described in subdivision (a), plus interest and penalties on those taxes.
- (c) Personal liability may be imposed pursuant to this section only if the department [CDTFA] can establish that the corporation, partnership, limited partnership, limited liability partnership, or limited liability company is required to collect the cannabis excise tax imposed pursuant to [Revenue and Taxation Code] section 34011 or 34011.2 or cultivation tax imposed pursuant to [Revenue and Taxation Code] section 34012 and that it failed to report and pay the tax.

For more information, please see [Regulation 3820](#), *Responsible Person Liability*, or contact your local [CDTFA office](#).