

Retail Marijuana Sales Tax Changes -- Fact Sheet

Recent statutory changes resulting from Senate Bill 17-267 have led to changes in state sales taxes collected at the point of sale for retail marijuana and retail marijuana products.

- Beginning July 1, 2017, the Retail Marijuana Sales Tax rate levied on retail marijuana and retail marijuana products at the point of sale increases from 10% to 15%
- This legislation also exempts retail marijuana and retail marijuana products sold on or after July 1, 2017 from the regular 2.9% state sales tax on tangible personal property.
 - “Retail Marijuana” and “Retail Marijuana Products” are defined in statute and do not include other types of tangible personal property that a retail marijuana business may have for sale, including but not limited to apparel, glassware or rolling papers. Any of these other types of items that are sold are still subject to the 2.9% state sales tax.
- Local taxes and special district taxes are unaffected by this legislation and may still apply. Please consult the publication [DR 1002](#) to determine if any additional taxes apply based on the business location.
- Retail marijuana businesses will still be required to file the state Retail Sales Tax Return (DR 0100). Taxpayers will report their overall Gross Sales and Services on Line 1 (including the amount of retail marijuana and retail marijuana product sales) and, starting with the July 2017 filing period, claim the state exemption by subtracting sales of Retail Marijuana and Retail Marijuana Product on Line 10 of the Exemptions Schedule (Part B) of the return, which carries over to the main return, line 3b, column 1.
- FYI Sales 93 will be updated on DOR’s website by June 30, 2017.
- DR 1002 will be updated at its regular interval.
- Please make sure to familiarize yourself with these requirements and adjust your Point of Sale systems to remain in compliance.