



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 on **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 State Sales Tax rate on tangible personal property of 2.9%.
- Please consult the publication [DR 1002: Colorado Sales/Use Tax Rates](#), available on the Taxation Division's website at [Colorado.gov/Tax](#), to determine if any additional tax exemptions apply based on the business location.
 - Local taxes were unaffected by this legislation and may still apply.
- [SB17-267](#) removed some special districts' ability to levy sales taxes on retail marijuana sales as of July 1, 2017. [SB18-088](#) clarified that the special districts who were authorized by prior voter approval to tax retail marijuana sales before July 1, 2017 may continue to do so. The Colorado General Assembly found it necessary to enact this bill to be retroactive, but not retrospective, in an effort to alleviate the unfair burden on sellers and purchasers to recover the sales tax from July 1, 2017 through February 22, 2018 (the date SB18-088 was signed into law). Therefore, retail marijuana businesses in the affected special districts will resume collecting special district sales taxes on sales of retail marijuana and retail marijuana products beginning on either May 1, 2018 or July 1, 2018, which are mutually agreed upon dates between the Department of Revenue and each of the special districts. Here is an overview of the special districts and the effective dates:

Special districts beginning to collect tax on retail marijuana on May 1, 2018:

- Gunnison Valley RTA
- Montezuma HSD
- Edwards Metro Dist.
- Summit MHA
- Bachelors Gulch Metro Dist.
- Two Rivers Metro Dist.

Special districts beginning to collect tax on retail marijuana on July 1, 2018:

- Regional Transportation District (RTD)
 - Scientific and Cultural Facilities District (SCFD)
 - San Miguel RTA
 - Pike Peak RTA
 - Roaring Fork RTS
 - Mt. Vernon Country Club Metro Dist.
- **"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 offer for sale, such as apparel, glassware or rolling papers. Any sale of these other types of items are still subject to the 2.9% State Sales Tax.

- Retail marijuana businesses will still be required to file the [DR 0100: Colorado Retail Sales Tax Return](#). Taxpayers will report their overall Gross Sales and Services on line 1 (including the amount of retail marijuana and retail marijuana product sales) and, beginning with the July 2017 filing period, claim the state exemption by subtracting sales of Retail Marijuana and Retail Marijuana Product on line 10 in Part B – Exemptions Schedule of the return, which carries over to the main return, line 3b, column 1.
- To learn more, please refer to publication [FYI Sales 93: Sales Tax on Marijuana](#) available on the Taxation Division’s website, [Colorado.gov/Tax](#).