

# Breakdown of Taxes in Adult-Use States

| State              | Wholesale Excise Tax Rate  | Retail Excise Tax Rate   | Standard Sales Tax Rate        | Local Sales Tax Rates  | Applicable to Medical?   |
|--------------------|--|--|--------------------------------|--|--|
| <b>Alaska</b>      | <b>Flower:</b> \$50/oz (\$25 for abnormal bud)<br><b>Trim:</b> \$15/oz     | N/A  | N/A                            | Some local cannabis-specific taxes                                   | N/A — Medical law does not include sales.  |
| <b>Arizona</b>     | N/A  | 16%  | 5.6% Transaction Privilege Tax | No   | No, 6.6% tax applies to medical, plus optional 2-3% local tax  |
| <b>California</b>  | <b>Flower:</b> \$9.65/oz<br><b>Trim:</b> \$2.87/oz (adjusts for inflation) | 15%  | 7.25%                          | Standard local taxes of up to 3%; some local cannabis-specific taxes | State-registered patients are exempt from standard sales tax.  |
| <b>Colorado</b>    | 15%  | 15%  | N/A                            | Standard local taxes of up to 6%; some local cannabis-specific taxes | Registered patients are exempt from 15% retail excise tax, but most pay 2.9% standard sales.                               |
| <b>Connecticut</b> | None   | <b>\$0.00625/mg THC for flower;</b><br><b>\$0.0275/mg THC for edibles;</b><br><b>\$0.009/mg THC for other products</b> | 6.35%                          | 3% payable to locality for specific purposes                         | No   |
| <b>Illinois</b>    | 7%   | <b>Flower:</b> 10%<br><b>Products:</b> 20%<br><b>≥35% Potency:</b> 25%   | 6.35%                          | Up to 3.5%   | Registered patients are exempt from most taxes, but medical is taxed via a 7% cultivation tax and a 1% pharmaceutical tax. |

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| <b>Maine</b>      | <b>Flower or mature plants:</b><br>\$335/lb<br><b>Trim:</b> \$94/lb<br><b>Immature plant or seedling:</b> \$1.50<br><b>Seed:</b> \$0.30  | 10%   | N/A  | N/A  | Medical sales are taxed at a lower rate — about 5.5%.   |
| <b>Mass.</b>      | N/A  | 10.75%  | 6.25%  | Local cannabis-specific taxes of up to 3%  | Medical is not taxed.   |
| <b>Michigan</b>   | N/A  | 10%   | 6%   | N/A  | Medical has a separate rate: 3% excise sales tax plus 6% standard sales tax.                              |
| <b>Montana</b>    | N/A  | 20%   | N/A  | N/A  | No. Medical providers pay a 4% tax on gross cannabis sales.   |
| <b>Nevada</b>     | 15% of fair market value   | 10%   | 6.85%  | Standard local taxes of up to 1.25%  | Medical has a separate rate: 15% at wholesale, with the 10% retail tax waived.                            |
| <b>New Jersey</b> | Increases as prices drop: starts at 1.3 of 1% of average retail prices and can increase to \$60/oz when retail prices are below \$200/oz | N/A   | 6.625%   | Up to 2% on each transfer (grower to processor, processor to retailer, and retailer to customer) | 6.625% sales tax applies, as do local taxes of up to 2%; sales tax sunsets in 2022                        |
| <b>New Mexico</b> | N/A  | 12% initially; increases, maxing out at 18% in 2030 | Gross receipts: 5.125% to 8.6875%, depending on location | Gross receipts varies by location  | No. Medical was taxed pre-adult-use legalization but will no longer be taxed.                             |
| <b>New York</b>   | On distributors: flower: \$0.005/mg THC; edibles: \$0.03/mg THC ; \$0.008/mg THC concentrates  | 8%  | N/A  | 4%   | No. Adult-use tax does not apply to medical, but medical is subject to a 7% excise tax on gross receipts. |

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| <b>Oregon</b>       | N/A | 17% | N/A  | Standard local taxes of up to 3%; some local cannabis-specific taxes | Medical is not taxed.   |
| <b>Rhode Island</b> | N/A | 10% | 7%   | 3%   | No, standard sales tax and 4% medical cannabis tax apply.       |
| <b>Vermont</b>      | N/A | 14% | 6%   | N/A  | Medical is not taxed.   |
| <b>Virginia</b>     | N/A | 21% | 6%   | Up to 3%   | Medical is not taxed.   |
| <b>Washington</b>   | N/A | 37% | 6.5% | Standard local taxes of up to 3.9%                                   | Patients with medical cards are exempt from standard sales tax. |

*Last updated: May 26, 2022*