



## CANNABIS INDUSTRY TAX (SRCC 6-10)

### Frequently Asked Questions:

- Q: Which business types are covered by the new Cannabis Industry Tax Ordinance?
- A: If you are a “cannabis business” as defined in SRCC 6-10.040(C) or a business that involves “cannabis” as defined in SRCC 6-10-040(B) you must register per the Cannabis Industry Tax Ordinance and comply with all required permits. Types of cannabis businesses required to register:
- Cultivation
  - Manufacturer
  - Distributor
  - Dispensary
- Q: Where can I find a registration form?
- A: You can find the form here <https://srcity.org/2511/Cannabis-Business-Tax>.
- Q: Do all businesses that register pay the Cannabis Industry Tax?
- A: No. Cultivation, manufacturing and dispensaries (Adult/Recreational sales) are covered by the Cannabis Tax. Distribution and dispensaries (Medical sales) will continue to be covered by the City of Santa Rosa’s Annual Business Tax. For information about the City’s Business Tax program please visit <https://santarosa.hdlgov.com/>.
- Q: What is considered a Medical Dispensary sale?

A: A Medical Dispensary sale would be to a customer that presents the dispensary with a State issued Medical Marijuana Identification Card. Under Proposition 64, patients who present a valid MMIC card do not have to pay the sales and use tax when making retail purchases of medical cannabis, medical cannabis concentrate, edible medical cannabis products or topical cannabis. For more information please visit the [California Department of Tax and Fee Administration's Website](#).

Q: If my business is a distributor or a retail medical dispensary do I still have to register for the Cannabis Industry Tax now?

A: Yes.

Q: What should I do if I am involved in multiple business categories covered by the Cannabis Industry Tax Ordinance?

A: One registration form per cannabis business per location is required. A \$100 registration fee applies to each cannabis business type subject to the Cannabis Industry Tax regardless if the cannabis business must pay the Cannabis Industry Tax and/or the annual Business Tax.

Q: What should I do if I also conduct non-cannabis related business?

A: Please describe any non-cannabis related business that may be covered by the annual Business Tax. The gross receipts are reported on the cannabis remittance form, but are not part of the calculated tax.

Q: What happens after I register?

A: A Certificate of Registration will be mailed to you after your registration form has been processed for review. The certificate must be posted in a conspicuous place at your business location. A registration renewal form will be mailed to you by the Revenue Division every January and must be submitted to keep your registration current.

Q: How long will it take to receive my certificate of registration after I pay my registration fees?

A: Provided your registration form is complete and accurately prepared, your certificate of registration will be mailed to you within 2 weeks.

Q: What should I do if my business changes ownership or physical location?

A: A new registration form and fee is required for any change of ownership or business name or physical business location. It is also required if your business is expanding to another business type covered by the Cannabis Industry Tax.

Q: When are my taxes due and how do I pay for the Cannabis Industry Tax?

A: The tax is paid quarterly, due the last day of the month following the end of the quarter. For example, first quarter tax due date is April 30. After you have registered, a Cannabis Industry Tax Remittance Form will be mailed to you a few weeks before the end of each quarter. Your payment can be mailed to Revenue and Collections, PO Box 1673, Santa Rosa, CA 95402 with your tax remittance form. If you are paying by cash, please call 707-543-3153 to make an appointment.

Q: Can I pay monthly instead of quarterly?

A: You can request to pay monthly by calling 707-543-3153.