

City of Boulder Marijuana Taxes – July 2016

Type of Business	Excise Tax	Use Tax & Rate	Sales Tax & Rate
Medical Marijuana			
Cultivation Facility	No	Yes – 3.86%	No**
Wellness Center	No	Yes – 3.86%	Yes – 3.86%
Recreational Marijuana			
Cultivation Facility	Yes – 5.0%	Yes – 7.36%	No**
Dispensary	No	Yes – 7.36%~	Yes – 7.36%~
MIP	No	Yes – 7.36%	No**
Testing Facility	No	Yes – 7.36%	No**

Type of Tax	MMB Grow	RMB Grow	MMB Retail	RMB Retail	MIP	Testing
Excise	No	Yes – 5%*	No	No	No	No
Use Tax	Yes – 3.86%	Yes – 7.36%	Yes – 3.86%	Yes – 7.36%	Yes – 7.36%	Yes – 7.36%
Sales Tax	No	No	Yes – 3.86%	Yes – 7.36% ~	No**	No**

City tax rate of 7.36% includes both standard 3.86% sales and use tax and additional RMB 3.5% city sales and use tax. City also receives 15% share back from State collected RMB 10% sales tax.

*In that vertical integration was eliminated at the state level, the excise tax would be charged on plants, as well as other materials. Currently, the sales tax rate is charged on plants transferred to another grow because it has to be a retail sale.

** Retail sales not allowed from Boulder cultivation facilities, MIPs or Testing locations. All MIPs and Testing facilities are treated as recreational for tax purposes.

~ For RMB retail locations, please note that per the Boulder Revised Code 3-14-2(b) the 7.36% city sales tax is should be collected for all sales of tangible personal property made at a recreational marijuana dispensary and tangible personal property includes all sales of marijuana, marijuana accessories, and any sales of allowable products marked with the name and logo of the licensed marijuana business.

Sales tax is paid on the retail sales amount charged to the customer.

Use tax is paid on the cost of assets and expenses of the business.

Excise tax is due when marijuana is transferred from a RM cultivation facility to a MIP, testing facility or RM store. The tax is paid on the amount calculated on the weight or number of plants multiplied by the value set. The values set for the first 6 months of 2016 are:

Bud/flower per lb.= \$1816 Trim per lb.= \$505 Immature plant each= \$10 Wet Whole Plant per lb.= \$209 Seeds each= \$2

2016 Recreational Marijuana Sales and Use Tax Total Rates (2nd half of 2016)

Excise Tax (Based on State AMR of \$1816 lbs. bud, \$505 lbs. trim, \$10 per clone plant, \$209 lbs. whole wet plant, & \$2 each for seeds)

15.00%	State of Colorado
5.00%	City of Boulder
20.00%	Total

Sales Tax

10.00% + 2.9%	State of Colorado (city receives 15% shareback from State 10% sales tax)
1.10%	RTD
*0.985%	Boulder County
<u>3.5% + 3.86%</u>	City of Boulder
*22.345%	Total

Use Tax (Fixed Assets and Expenses)

2.90%	State of Colorado
1.10%	RTD
<u>3.5% + 3.86%</u>	City of Boulder
11.36%	Total

Use Tax (Withdrawals from Inventory)

10.00% + 2.9%	State of Colorado
1.10%	RTD
<u>3.5% + 3.86%</u>	City of Boulder
21.36%	Total