

City of Boulder Marijuana Taxes – January 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			
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**

*If vertical integration is eliminated at the state level, the excise tax would be charged on plants as well as buds and trim. 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, 3.86% city sales tax is applicable to paraphernalia sales that are itemized separately from anything including any amount of marijuana, but 7.36% applies to all sales of any items with marijuana.

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.

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 2014 are:

\$1,948 per pound for bud/flower

\$464 per pound for trim

\$9 per plant per immature plant

2016 Recreational Marijuana Sales and Use Tax Total Rates (1st half of 2016)

Excise Tax (Based on State AMR of \$1948 lbs. bud, \$464 lbs. trim, & \$9 per clone plant)

15.00%	State of Colorado
<u>5.00%</u>	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