


HOW ADULT-USE CANNABIS TAXES SUPPORT YOUR COMMUNITY *in New York*

Cannabis legalization not only means that safer products will be available to consumers, but through a thoughtful taxation approach, New York State can develop an equitable cannabis industry where businesses and their communities have the resources and tools to thrive.

When you buy cannabis at a New York State licensed adult-use dispensary, the taxes you pay will go directly to communities across the state. **To better understand how that works, here is an example of a licensed adult-use dispensary receipt below.**

RECEIPT



ABC CANNABIS DISPENSARY
License #MM4020T
2 Bleecker Street, New York, NY 12321
1-888-626-5151

Date: 1.1.23 Time: 7:10pm
Invoice No: #12345
Employee: Alice C.

Item	SKU	Qty	Price
OG Kush Flower - 3.5g	H323PR01	1	\$40
Mango 1:1 Sparkling Water - 5mg	Z985PR01	1	\$20
Blue Dream Preroll Pack - 3.5g	Y425PR01	1	\$55

Subtotal \$115.00
NY State Excise Tax (9%) \$10.35
Local Excise Tax (4%) \$4.60

Total: \$129.95

Payment Type: Cash
Change Due: \$0.05

Licensed adult-use dispensary information

- The name, address, phone number, and license number of the licensed adult-use dispensary

Sale details

- The date and time of the sale
- The invoice number
- The employee name

List of items purchased

- The form, name, quantity, and cost of cannabis products and any other items sold

Breakdown of taxes applied

- The tax paid including a separate description for each



What taxes are applied to cannabis in the adult-use cannabis market?

Taxes collected from licensed adult-use dispensaries are deposited into the **Cannabis Revenue Fund**. Money from that fund supports the work of the Office of Cannabis Management and other state/local partners who oversee the cannabis industry as well as other targeted initiatives. The Tax Law establishes three taxes on adult-use cannabis products including:

- **State Tax: 9%** Supports statewide public education, drug treatment programs, and community reinvestment. Even if there isn't a licensed adult-use dispensary in your community you can still benefit from legal cannabis sales through this statewide tax.
- **Local Tax: 4%** This money stays in the village, town, city, or county where the cannabis sale occurs. This tax is distributed to local governments based on where the retail dispensary is located. 25% percent of the tax revenue goes to the county and 75% percent goes to the cities, town, or villages within the county as a proportion of cannabis sales.
If a town and a village within the town both allow adult-use sales, the revenue shall be distributed based upon a distribution agreement between the town and village. If no such agreement exists, then the revenue distribution between the town and village shall be divided evenly.
- **Wholesale Excise Tax: 9%** There is a wholesale excise tax imposed on the sale of cannabis products by a distributor to a retail dispensary at 9% of the cannabis products' price. This tax is applied differently for microbusiness or a Registered Organization with Dispensing (ROD) that are vertically integrated licenses. The 9% excise tax is imposed on 75% of the final retail price offered to the cannabis consumer.

How is the tax revenue reinvested in my community?

- **40%: Education Statewide:** Revenue will support spending on education across the state.
- **40%: Community Grants Reinvestment Fund:** The fund will award grants to qualified community-based non-profit organizations and local governments to support community revitalization efforts such as job placement and skills services, healthcare, housing and childcare services. Grants will be issued by the Cannabis Advisory Board in the communities that were most harmed by cannabis prohibition.
- **20%: Drug Treatment & Public Education Statewide:** Revenue will support the development of public health, education and prevention campaigns, and provide substance use disorder treatment programs for youth and adults.



To report concerns about a cannabis product or business, use the Incident Reporting Form at cannabis.ny.gov/report-an-incident



How do I know if I'm purchasing from a licensed adult-use dispensary?

All licensed adult-use dispensaries are issued a **Dispensary Verification Tool** which is posted in the storefront of each licensed adult-use dispensary. Scan the QR code to be directed to OCM's website with a list of all licensed adult-use cannabis dispensaries.