



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

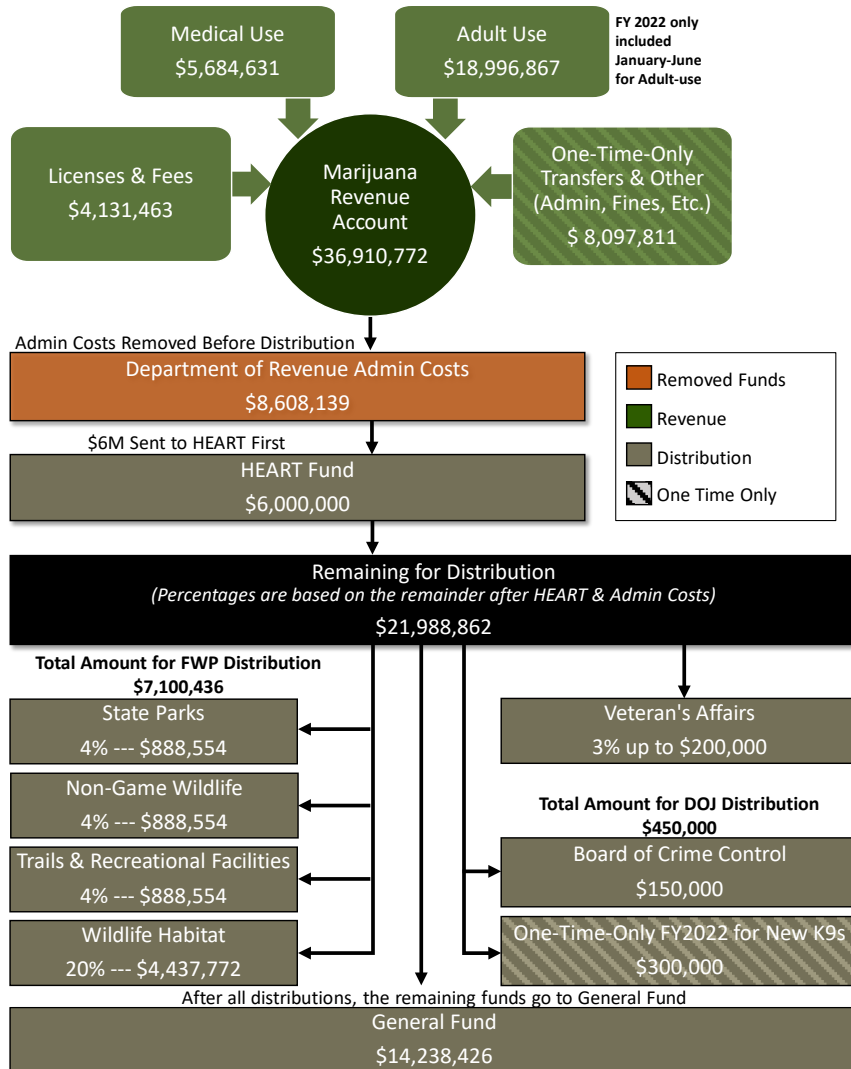
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Director
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MARIJUANA TAXES

As of the 2021 Legislative session, pursuant to [HB 701](#), The State of Montana collects revenue from three different marijuana sources ([15-64-102, MCA](#)). For an **adult-use dispensary**, there is a **20% sales tax** on the retail sales price of marijuana, marijuana products, and live marijuana plants. For a **medical marijuana dispensary**, there is a **4% sales tax** on the retail sales price of marijuana, marijuana products, and live marijuana plants. Additionally, the Department of Revenue (DOR) collects license fee revenues from cultivators, manufactures, dispensaries, testing laboratories, transporters, and marijuana worker permit fees from employees of marijuana businesses. All revenue collections from marijuana are deposited into a single marijuana state special revenue account from which all distributions are made.

FY 2022 Actuals



Distributions

[\(16-12-111, MCA\)](#)

- All marijuana revenue collections are deposited in the marijuana state special revenue account. This includes Adult-use sales tax, medical marijuana sales tax, license fees, and additional miscellaneous revenue.
- At the end of each fiscal year, the Department of Revenue must use money in the account to cover administration costs and \$6 million is transferred to the HEART account. Any remainder is distributed as outlined below:
 - 20% to FWP to be used solely as funding for wildlife habitat.
 - 4% to the state park account
 - 4% to the trails and recreational facilities account
 - 4% to the nongame wildlife account
 - 3% or \$200,000, whichever is less, to the veterans and surviving spouses SSR account
 - \$150,000 to the board of crime control to fund crisis intervention team training
 - Remainder transferred to the general fund

Marijuana Sales Tax

[\(15-64-102, MCA\)](#)

For an **adult-use dispensary**, there is a **20% tax** on the retail sales price of marijuana, marijuana products, and live marijuana plants. For a **medical marijuana dispensary**, there is a **4% tax** on the retail sales price of marijuana, marijuana products, and live marijuana plants. These taxes must be paid to the Department of Revenue within 15 days of the end of each calendar quarter. "Marijuana product" means a product that contains marijuana and is intended for use by a consumer by a means other than smoking. The term includes but is not limited to edible products, ointments, tinctures, marijuana derivatives, and marijuana concentrates [\(16-12-102, MCA\)](#).

License Fee Revenue

[\(16-12-201-226, MCA\)](#) [\(Montana Dept. of Revenue\)](#)

License fees are imposed on cultivators, manufactures, dispensaries, testing laboratories, transporters, and marijuana worker permit fees from employees of marijuana businesses. Cultivator licenses are organized into tiers that are based on the number of locations and total square footage of cultivation. Cultivator license fees are due annually and range from \$1,000 for 250 square feet with 1 facility, up to \$37,000 for 50,000 square feet and 9 facilities [\(16-12-223, MCA\)](#). Manufacturing licenses are organized into three tiers based on monthly production of concentrate with annual fees of \$5,000, \$10,000, and \$20,000 based on the tier [\(16-12-221, MCA\)](#). Dispensary licenses have an annual fee of \$5,000 per location [\(16-12-224, MCA\)](#). Testing laboratories and transporters license fees are established by DOR through rules. Transporter license fees are \$10,000 renewed every two years. Testing laboratory license fees are \$5,000 renewed annually. Storage facility fees are \$1,000 renewed annually. Combined-use licenses are available to any of Montana's 8 federally recognized tribes or entities majority owned by one such tribe. These licenses allow cultivation and dispensing at the same location and include a tier cultivation license and a dispensary license. Combined-use licenses include a tier 1 cultivation license and a dispensary license. Combined-use license fees are \$7,500 due annually. [\(16-12-225, MCA\)](#)

Additional Revenue

- Legislation that established the marijuana state special revenue account provided one-time transfers totaling \$7,784,039.33 to DOR. These transfers included funds to close out the pain management education and treatment account and the medical marijuana account
- Local counties have the option to apply an additional 3.0% adult-use sales tax. 50.0% of this additional sales tax is retained by the counties, 45.0% is distributed to the municipalities based on population ratios, and DOR is reimbursed the remaining 5.0% for administrative costs ([16-12-310, MCA](#))
 - A table of counties that have opted in can be found on the [DOR website here](#)
 - Estimate county sales can be found on the [DOR website here](#)
- Civil penalties totaled \$3,500 in FY 2022

Statewide Guaranteed Tax Base

For fiscal years 2024 through 2031, if the revenue transferred to the state general fund from the Marijuana state special revenue account in the prior fiscal year is at least \$1 million more than the revenue transferred in the fiscal year 2 years prior, then there will be an impact to the Guaranteed Tax Base (GTB) pursuant to ([20-9-366, MCA](#)).