



# Special Notice

CALIFORNIA STATE BOARD  
OF EQUALIZATION  
450 N STREET  
SACRAMENTO, CA 95814

## Growers and Sellers of Medical Cannabis Must Register and File Returns with the Board of Equalization

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BOE WEBSITE AND  
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INFORMATION  
[www.boe.ca.gov](http://www.boe.ca.gov)

CUSTOMER SERVICE CENTER  
1-800-400-7115

TTY  
711

If you sell medical cannabis, the law requires you to register with the Board of Equalization (BOE) for a seller's permit. This includes growers and dispensaries. You can register for a seller's permit on our website using our [online registration system](#) or in person at one of our [field offices](#). There is no cost to obtain a seller's permit.

Once you are registered, you must also file sales and use tax returns and pay any tax due. If you do not file timely returns, you may be subject to penalties and interest. Sales and use tax returns are filed using our [online filing services](#).

Even if all your medical cannabis sales are nontaxable (for instance, sales for resale), you still must file returns.

### What sales are subject to tax?

In general, all retail sales of medical cannabis are taxable. However, sales to your customers that resell medical cannabis in the regular course of business are not subject to tax. Your sales are presumed to be at retail unless your customer timely provides you with a valid resale certificate that you accept in good faith. See [publication 103](#), *Sales for Resale*.

### Some equipment purchases may qualify for partial exemption

A partial exemption from the state portion of the sales and use tax is available on purchases by qualified farming businesses of certain farm machinery and equipment that are primarily used in the production and harvesting of agricultural products. For more information, see [publication 66](#), *Agricultural Industry*.

### U.S. Government position on sales of cannabis

Growing and selling cannabis is illegal under Federal law. Cannabis remains classified as a Schedule I substance under the Controlled Substances Act. Current guidance regarding cannabis enforcement can be found at the U.S. Department of Justice website at [www.justice.gov](http://www.justice.gov).

### For additional information

For additional information, please visit our Cannabis Industry Guide at [www.boe.ca.gov/cannabis](http://www.boe.ca.gov/cannabis). You may also call our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available to assist you weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.