



DATE July 20, 2016

RE Medical Marijuana, Act 16 of 2016

MEDICAL MARIJUANA TAX BULLETIN 16-001

On April 17, 2016, Governor Tom Wolf signed into law Act 16 of 2016, the Medical Marijuana Act, effective May 17, 2016. This Act establishes a program for the use of medical marijuana in Pennsylvania by patients with serious medical conditions. The Pennsylvania Department of Health will issue permits to approved medical marijuana growers/processors and dispensaries.

The Act imposes tax of 5 percent on the gross receipts received from the sale of medical marijuana by a grower/processor to a dispensary, to be paid by the grower/processor. The tax shall not be added as a separate charge or line item on any sales invoice or other statement of the price paid by a dispensary, patient or caregiver. The sale of medical marijuana is not subject to sales tax.

Growers/processors will have a quarterly payment and filing obligation with the Department of Revenue, on a form prescribed by the department that will include total receipts from the sale of medical marijuana and total tax due. Returns and payments are due on the 20th day of January, April, July and October for the preceding calendar quarter.

Prior to the issuance of permits by the Department of Health, the Department of Revenue will provide additional information regarding the Medical Marijuana Act, including tax returns and instructions, payment methods, and frequently asked questions.

Please visit our website at www.revenue.pa.gov for updates on the Medical Marijuana Act. If you have questions regarding the taxation of medical marijuana, please call the department at 717-783-9354.