

Marijuana Tax

An overview of Oregon's recreational marijuana taxes

- The state tax rate is 17 percent.
- Municipalities can enact an additional tax of up to 3 percent with the approval of voters.
- Only retailers licensed by the Oregon Liquor Control Commission (OLCC) can sell recreational marijuana.
- Our rules require monthly payments. Payments are due on the last day of each month for retail sales from the previous month. For example, the tax for January's sales is due by February 28.
- Payments are accepted by check, money order, cashier's check, bank account transfer, credit or debit card, or cash. Cash payments are by appointment only at the Revenue building in Salem only.
- Taxpayers can keep 2 percent of the state tax to cover their administrative costs.
- Returns are due on the last day of the month following the quarter's end (January 31, April 30, July 31, October 31).
- Returns are only accepted electronically through Revenue Online at www.oregon.gov/dor.

Revenue disbursement

State marijuana tax revenues—minus tax program administration costs—will be distributed quarterly as follows:

- 40 percent for education.
- 20 percent for purposes for which moneys in the Mental Health Alcoholism and Drug Services Account may be used.
- 15 percent for state law enforcement.
- 10 percent to cities, based on population and number of licensees.*
- 10 percent to counties, based on total available grow canopy size and number of licensees.*
- 5 percent for alcohol and drug abuse prevention, early intervention, and treatment services.

*All marijuana tax revenue collected prior to July 1, 2017 allotted to cities and counties will be distributed based on population.

Information on local taxes

In November 2016, voters in some municipalities approved local marijuana taxes of 3 percent. Many of those municipalities decided to have us collect those taxes on their behalf. A [list of those municipalities](#) is available on our website.

Starting in with February's payment for taxes collected in January: Businesses located in municipalities where we're responsible for the collection of the tax will include both state and local taxes in their monthly payment. Businesses located in a municipality that's collecting its own taxes should contact the municipality to find out how to file and pay their local taxes. They're still required to make monthly payments and quarterly filings to the Department of Revenue for their state taxes, regardless of how the local tax is being administered.

For more information on marijuana taxes, visit www.oregon.gov/dor/marijuana.