

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.
 - Estimates indicate approximately 350 licensed retailers in 2015–17 and approximately 550 licensed retailers in 2017–19.
- 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

Per House Bill 2041 (2015), we'll use marijuana tax revenue to cover our costs for administering the marijuana tax. After that, money will be distributed as follows:

- Common School Fund: 40 percent.
- Mental Health, Alcoholism, and Drug Services Account (ORS 430.380): 20 percent.
- State Police: 15 percent.
- Cities, for local law enforcement: 10 percent.
- Counties, for local law enforcement: 10 percent.
- Oregon Health Authority, for alcohol and drug abuse prevention, early intervention, and treatment services: 5 percent.

Disbursements will be determined by the number of licenses issued by OLCC in a given area. Areas that prohibit recreational marijuana facilities won't receive any marijuana tax revenue.

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.