

# Statistics from Oregon Marijuana Tax Returns



**Calendar Year 2016**



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## **Highlights**

A total of \$73 million in marijuana state tax liability was reported on marijuana tax returns in Oregon for the first year of state marijuana taxation—calendar year 2016. Reported taxable sales were approximately \$287 million. The state retail tax rate in effect during 2016 was 25 percent for temporary recreational sales by medical marijuana dispensaries and 17 percent for retail sales made by licensed retail facilities. During the transition to the current retail licensing structure, the majority of sales during 2016 took place in medical marijuana dispensaries that were given temporary permission to sell to adults who didn't have medical marijuana cards.

## **About this Report**

Calendar year 2016 was the first year in Oregon that recreational marijuana sales were taxed by the state. The year was a unique one in the marketplace, most notably because of the use of medical marijuana dispensaries as temporary recreational retail outlets. Overall, both the industry and the regulatory environment were evolving rapidly during the year.

This report uses information from tax returns and tax account registrations to describe recreational marijuana sales and businesses in Oregon during 2016. A forthcoming report describes 2017 separately. This 2016 report includes a summary of the policy history of marijuana legalization, sales, and taxation in Oregon before and during 2016, which is essential information for accurately understanding the statistical tabulations that are presented.

## **Introduction to Oregon's Marijuana Tax**

The origin of state taxed marijuana sales in Oregon was when Oregon's voters approved Measure 91 in November 2014. That measure legalized the possession of limited quantities of marijuana by adults in Oregon starting in July 2015, as well as the sale, production, delivery, and processing of marijuana. Measure 91 outlined that the Oregon Liquor Control Commission (OLCC) would license and regulate marijuana businesses in the state. The license types include producers, processors, wholesalers, laboratories, and retailers.

Under the regulations, the producer license type means that producers may sell directly to the retail license holders, who in turn sell directly to consumers. Producers are also known as growers. Producers may also sell to processors or wholesalers. The processor license type is for transforming marijuana into a product such as an extract, edible, concentrate, or topical product. Wholesaler licensees can buy and sell within the licensed system provided they are not selling directly to consumers. Licensed laboratories test marijuana and marijuana products for contaminants and potency.

OLCC began accepting applications in January 2016 for all license types. The first priority was to issue licenses to producers, so that marijuana would be available for transfer to the other license types. OLCC announced that it would issue the first retail licenses in October 2016. The

implication was that for the period July 2015 through October 2016, no retail outlets would be available where adult-use consumers could legally purchase the marijuana that they were newly allowed to possess.

To provide a regulated method for consumers to buy marijuana during that time, the Oregon Legislature approved a temporary solution of using the existing system of medical marijuana dispensaries as retail outlets. Starting on October 1, 2015, existing and new medical marijuana dispensaries regulated by the Oregon Health Authority (OHA) were permitted to opt-in to sell limited types and quantities of marijuana products to adults age 21 or older, provided that the city or county where they were located had not restricted such recreational sales. Customers did not have to hold a medical marijuana card to make these purchases, on a temporary basis.

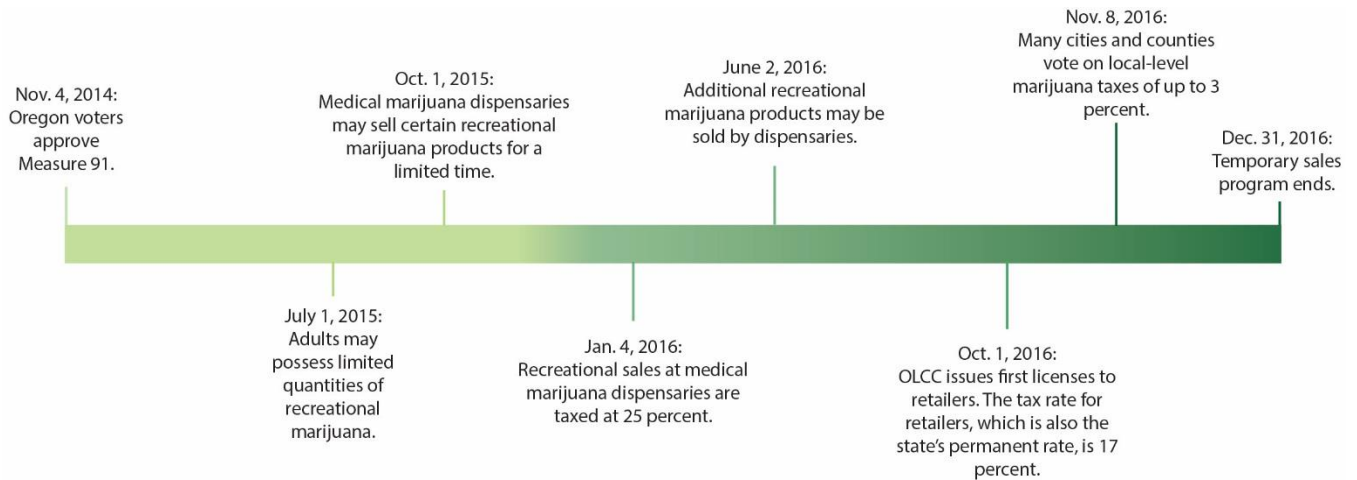
Only dried flowers and leaves, seeds, and immature plants were allowed to be sold as recreational products during the first eight months of this arrangement. Later, starting June 2, 2016, additional product types, namely selected edibles, extracts, and topical products, were permitted as recreational products sold by dispensaries. Taxation of recreational sales under the temporary program began on January 4, 2016, at a rate of 25 percent of the retail sales price. **Table 1** summarizes the rules in place during 2016.

**Table 1: Key Dates for Oregon Recreational Marijuana Sales**

Who Can Sell	When	State Tax Rate	Products Allowed
Medical dispensaries registered with Oregon Health Authority, if locally allowed	Oct. 1, 2015 through Dec. 31, 2016 or until obtaining OLCC license, whichever comes first	25% of retail price (tax begins Jan. 4, 2016)	Before June: flower, leaves, immature plants, & seeds; Starting June 2: also certain edibles, extracts, & topicals
Recreational retailers licensed by OLCC	As of OLCC license date (no earlier than Oct. 1, 2016)	17% of retail price	Tax categories are: flowers, leaves, immature plants, edibles, extracts, concentrates, topical products, and other cannabinoid products

In terms of taxation, the last three months of 2016 were particularly complex. OLCC indeed issued the first retail licenses in October 2016. Two different tax rates were consequently in effect across the state during that last quarter of 2016. Once any specific retail business had received a retail license from OLCC, the tax rate applicable to that business was 17 percent of the retail price. As long as the business was still operating as a medical dispensary under OHA, the tax rate remained 25 percent for recreational consumers. Sales to medical patient cardholders have never been taxed in Oregon. Local-level marijuana taxes generally did not apply until 2017. The next section describes key dates in the history of recreational marijuana taxation in Oregon.

## Oregon's Marijuana Tax Timeline



**November 2014:** Oregon voters approve Measure 91 in a statewide general election, for the purpose of legalizing the production, processing, delivery, possession, and sale of recreational marijuana among adults. Legalized medical marijuana in Oregon already existed because of the approval of Measure 67 in 1998. Measure 91 outlined taxation, regulation, and the distribution of tax revenue. The Oregon Legislative Assembly made several changes to law after that time.

**July 2015:** Because of Measure 91, adults may now possess limited quantities of usable recreational marijuana (up to one ounce outside their homes and eight ounces at home) but may not buy or sell it until approved retail outlets are available.

**October 2015:** As a result of legislative action in 2015 (Senate Bill 460 and House Bill 2041), medical marijuana dispensaries registered with the Oregon Health Authority (OHA) may sell recreational marijuana (only flower, leaves, seeds, and immature plants) for a limited period, between October 1, 2015 and December 31, 2016. This temporary arrangement, sometimes called Early Start, gives recreational customers a way to purchase the newly legal products in the interim, before the Oregon Liquor Control Commission (OLCC) is able to issue retail licenses. No state retail tax is imposed between October 1, 2015 and January 3, 2016.

**January 2016:** State marijuana taxation begins on recreational sales from medical dispensaries to adults under Early Start, at a temporary rate of 25 percent of the retail sales price. As a result of House Bill 2041 (2015), this tax structure differs from that approved in Measure 91, which was a tax on production rather than retail sales. House Bill 2041 requires the tax to be collected by the retailer from the consumer at the time of the retail sale and remitted to the Oregon Department of Revenue (DOR). The permanent state tax rate of 17 percent applies effective January 1, 2017 or sooner if the retailer has been licensed and is operating under the authority of OLCC. Regardless of the licensing of the seller, the state marijuana tax does not apply to medical marijuana sales made to patients or designated primary caregivers who show their Oregon medical marijuana card.

**June 2016:** Based on Senate Bill 1511 (2016) and administrative rule, additional recreational product types (selected edibles, pre-filled receptacles of extracts, and non-psychoactive topicals) may be sold by medical marijuana dispensaries in the temporary program.

**October 2016:** OLCC issues the first licenses to retailers of recreational marijuana. The permanent phase of recreational retail sales has begun. For retailers with licenses from OLCC, sales to adults are taxable at a state tax rate of 17 percent of the retail sales price. Medical cardholders may purchase tax-free from OLCC-licensed retailers, as well as from medical dispensaries registered with OHA. Recreational sales made to adults at medical marijuana dispensaries registered with OHA are still taxed at the state rate of 25 percent, but that temporary program is ending at the close of the calendar year.

**November 2016:** Voters in many counties and cities vote on the establishment of local-level marijuana taxes, generally to take effect in 2017. Cities and counties are prohibited from imposing their own recreational marijuana taxes except as outlined in House Bill 3400 (2015). House Bill 3400 authorizes a local option tax of three percent or less on the sale of recreational marijuana items, subject to local approval in a statewide general election. Local areas may not tax medical marijuana sales, according to Senate Bill 1601 (2016).

**January 2017:** The temporary sales program ends. As prior to the temporary program, medical marijuana dispensaries registered with the Oregon Health Authority that have not converted to OLCC licensed retailers may only sell to medical cardholders. Sales made at OLCC licensed retailers are taxed at 17 percent (state tax), plus a possible local tax of up to three percent if approved by local voters.

## **Requirements for Registering, Paying, and Filing**

The Oregon Department of Revenue requires marijuana sellers to register with DOR for the marijuana tax program prior to making deposits of tax held in trust and prior to filing tax returns. This DOR registration process is distinct from the OLCC license process or the OHA medical dispensary registration process. In the DOR tax account registration process, businesses report their retail license number issued by OLCC (if applicable, such as if the business was not exclusively an OHA-registered dispensary temporarily selling to recreational customers during 2016), their type of business structure, and address and owner information. Businesses registered with DOR are expected to provide notification to DOR of a change in status, such as a closure, move, or change of ownership. Each store's geographic location is considered a separate tax account and must register separately, regardless of whether a common owner exists for multiple locations.

Recreational marijuana sellers in the state are required to file marijuana tax returns with the Oregon Department of Revenue each quarter. Tax returns are due at the end of the month that comes after each quarter, or the next business day if the last day of the month is not a business day. Sellers are required to make monthly deposits of the amount of tax collected from consumers the previous month, minus two percent of the tax collected, which is retained to cover the cost of collecting, reporting, and remitting the tax. Payments are accepted by check, money order, or cash. Payments in cash are only accepted at the Department of Revenue's headquarters building, by appointment only.

## Characteristics of Businesses Registered to Remit Marijuana Tax

This section provides statistical information about the businesses registered to remit marijuana taxes, counted as distinct geographic outlets, using tax account registration data. The physical address of each business location is compared with regional boundaries to categorize the businesses by region (see the section called Important Notes about City and County-Level Reporting for an explanation of this regional rather than city or county categorization).

Overall, the number of business locations selling recreational marijuana and registered with DOR grew during the course of 2016. During the first three quarters of 2016, these entities were medical marijuana dispensaries registered with the Oregon Health Authority that had elected to sell limited products to recreational customers on a temporary basis. During the last quarter of 2016, the marijuana retailers included those with an OLCC retail license as well as medical marijuana dispensaries registered with OHA. The term retailer may be used generically in the remainder of this report to include both OHA-registered medical dispensaries and OLCC-licensed retailers.

**Table 2** shows the number of retail outlets present during each calendar quarter as well as the number present during at least one quarter. The table reveals the large number of locations within the city limits of Portland and the surrounding metropolitan area. The Willamette Valley also had a large number of locations. A map of these regions is included at the end of this report. The number of outlets that were present during at least some point during the year exceeds the number during any specific quarter because dispensaries could close or open at any point in the year. Quarter 1 is January through March 2016, Quarter 2 is April through June 2016, and so on.

**Table 2: Number of Business Locations Registered to Remit Marijuana Tax in 2016 by Region**

	Q1	Q2	Q3	Q4	At least one quarter
Central/Gorge/Eastern	28	30	32	35	40
Oregon Coast	39	41	44	50	57
Portland City Limits	133	140	142	143	150
Portland Surrounding Areas	29	31	34	37	42
Southern Oregon	30	30	30	30	34
Willamette Valley	71	83	86	92	101
<b>Total (statewide)</b>	<b>330</b>	<b>355</b>	<b>368</b>	<b>387</b>	<b>424</b>

**Table 3** shows the number of locations in 2016 registered with DOR to remit marijuana taxes, according to the type of business legal structure. Some of these locations may have a common owner of a specific organizational type, for example a C corporation that has multiple retail locations. This count includes each location separately rather than counting each overall owner only once. In this count, approximately half of locations are operated as C corporations, either directly or as limited liability companies (LLCs) structured as C corporations.



**Table 3: Number of Business Locations Registered to Remit Marijuana Tax in 2016  
by Business Organization Structure**

	Q1	Q2	Q3	Q4
C Corporation	116	123	123	127
LLC Organized as Corporation	43	47	49	53
LLC Organized as Partnership	67	74	81	85
LLC Organized as Sole Proprietorship	44	49	48	51
Non-profit Entity	7	8	8	8
Partnership (General or Limited)	14	14	15	15
Sole Proprietorship	16	16	17	18
Sub-chapter S Corporation	9	10	11	13
Not Reported	14	14	16	17
<b>Total</b>	<b>330</b>	<b>355</b>	<b>368</b>	<b>387</b>

Note: These numbers count distinct locations rather than parent businesses.

### **Sales Amounts and Tax Liability on Tax Returns**

Most of the information used in this report to measure marijuana sales and taxes comes from tax return forms. Each business location selling recreational marijuana is required to file a return with the state every quarter. Tax return forms contain information reported by each retailer about the dollar amounts of sales made in each of the allowed product categories and the quantity sold in each product category. Quantities are measured in grams for dried flowers and leaves, in units for edibles, extracts, concentrates, topical products and other cannabinoid products, and in number of seeds and plants.

Quarterly tax returns for the permanent tax (17 percent rate) collect information on sales by month by product category, both taxed and tax exempt. Tax returns for the temporary tax (25 percent rate) only collected total sales by quarter by product category and did not collect information about tax exempt sales. The tax rate is applied to the taxable sales amount to calculate the tax liability. Then two percent of the resulting tax is subtracted from tax liability as a reimbursement for administrative expenses of collecting, reporting, and remitting the tax.

If a registered taxpayer fails to file a return as legally required, the Department of Revenue may estimate the tax owed and issue what is known as an estimated return. DOR considers either the presence of an estimated return or the lack of a filed return that is due to be noncompliance with the marijuana tax. Noncompliance with Department of Revenue rules related to retail marijuana taxation is a violation of OLCC license rules. Taxpayers can come into compliance by filing their own return to replace an estimated return. Estimated returns included in this analysis may have been replaced since the date of the analysis.

This report does not include information on tax payments actually remitted to DOR, which may differ from the liability amounts if any filers pay more or less than their liability. A tabulation of monthly total marijuana tax payments received by DOR is available on the DOR website.

## Statistics from Oregon Marijuana Tax Returns

The following are descriptions of the tables that are included in the Detailed Tables section.

**Table 4** includes the marijuana tax liability amounts for each quarter and tax rate during 2016, as shown on filed and estimated returns. Many businesses were required to file two returns for the last quarter of 2016. If a business was already operating as a medical marijuana dispensary registered with OHA and it received an OLCC retail license during the quarter (other than on the first day of the quarter), then the business owed a paper return for the sales taxed at 25 percent as well as an online return for the sales taxed at 17 percent. The only cases where exactly one return was required were if the business was operating as an OHA-registered dispensary for the entire quarter or if the business was operating as an OLCC licensee for the entire quarter.

Total marijuana tax liability during calendar year 2016 was approximately \$73 million. That includes more than \$69 million in liability as reported on filed returns and nearly \$4 million in liability assigned to taxpayers by estimated returns.

**Table 5** shows the distribution of marijuana tax liability across regions for 2016. The largest share of the total tax liability was associated with Portland and the surrounding areas.

**Table 6** shows quarterly total taxed recreational sales amounts in 2016 reported by both medical dispensaries participating in the temporary recreational sales option and OLCC licensed retailers. Total reported taxable marijuana sales in 2016 in Oregon were approximately \$287 million. **Table 7** breaks down quarterly taxable sales by region.

Further details in the form of reported sales by product category by quarter for the temporary tax rate are shown in **Table 8**, in descending order by total dollar amount. Sales in the flower category were substantially larger than sales in any other product category. Just within the 25 percent tax rate program, sales of flower alone totaled more than \$217 million during 2016. The next largest sales category was pre-filled receptacles of cannabinoid extracts, in the amount of nearly \$33 million. Similarly for the permanent tax, **Table 10** shows sales by product type during the last quarter of 2016, which was the first quarter that OLCC retail licenses were available.

Flower-only sales by region by quarter are depicted in Tables 9 and 11. **Table 9** describes sales at the 25 percent tax rate made by OHA-registered dispensaries participating in the temporary program. **Table 11** describes sales at the 17 percent tax rate made by OLCC licensed retailers. Both the dollar amounts and number of grams sold were greatest in the Portland area, and also large in the Willamette Valley. The average price per gram of flower by region was generally lowest within the Portland city limits compared to other regions.

There appeared to be a seasonal pattern of sales, although that should not be overstated during the first year of legalization when many other factors were changing at the same time. For example, the number of locations where adults could purchase marijuana was increasing

during this time period. That said, reported sales of flower were greatest during the period July through September, relative to other quarters.

**Table 12** provides the first look at tax exempt sales amounts using tax return data. These sales are made by OLCC retail licensees to medical patient or caregiver cardholders. That information was not collected on tax returns until OLCC retail licensing had begun, so the first available statistics are for October 2016. Given that only a small number of retailers were licensed by OLCC at that time, the resulting statistics can fluctuate excessively because of not having a large number of retailers to balance out any unusual experiences from one or two retailers.

## **Distribution of Revenue**

As outlined in ORS 475B.759, the basic formula for the distribution of state marijuana tax revenue, after covering state administrative costs and required transfers is: 40 percent to the same purposes as the State School Fund, 20 percent toward mental health or alcohol and drug abuse treatment, 15 percent to the same purposes as the State Police Account, 5 percent for purposes related to alcohol and drug abuse prevention, early intervention and treatment services, and 10 percent each to cities and to counties in Oregon. While the marijuana regulatory infrastructure was still being developed and implemented in Oregon, and especially until a start-up loan within OLCC could be repaid using marijuana tax revenue, distributions of state marijuana tax revenue were not made to those ultimate statutory recipients until September 2017.

## **Important Notes about City and County-Level Reporting**

State law (ORS 314.835 and ORS 475B.755) requires the Department of Revenue to protect any information that can be traced to particular marijuana tax returns. This principle extends to small groups of returns, because it may be possible to calculate information sourced from one return if other outside information is also available, such as in a newspaper article or knowledge held by one of the included taxpayers.

The Department of Revenue can only report marijuana tax statistics at the regional level rather than for specific cities or counties. The City of Portland is the only exception, because of its very large number of marijuana retail businesses.

Both state marijuana tax law and the geographic pattern of marijuana businesses are reasons the department cannot release information for both a city and the county that contains that city. Often, only a few businesses are located outside of city limits within a given county. The department cannot release two pieces of information that a reader could compare or subtract to learn something confidential that was itself not directly released. The department also cannot release information about whether a specific taxpayer did or did not file a tax return. A map of the reporting regions used in this analysis is included at the end of this report.

## Detailed Tables

**Table 4: Tax Liability on Filed and Estimated Returns for 2016**

	Filed Returns		Estimated Returns Still Outstanding		Totals Across All Types of Returns	
	Number of Filers	State Tax Liability	Number of Filers	State Tax Liability	Number of Filers	State Tax Liability
Q1: 25% Rate	316	\$12,641,258	12	\$489,824	328	\$13,131,081
Q2: 25% Rate	327	\$15,986,298	27	\$1,345,331	354	\$17,331,629
Q3: 25% Rate	343	\$22,167,547	21	\$916,210	364	\$23,083,757
Q4: Overall			17	\$1,174,963	380	\$19,526,259
Q4: 25% Rate	323	\$15,934,590				
Q4: 17% Rate	123	\$2,417,409				
Totals for Calendar Year 2016		\$69,147,101		\$3,926,327		\$73,072,727

Notes: If a business location filed multiple (amended) versions of a return, only the final return is counted here.

Filed liabilities may not exactly sum to final liabilities because of small tax adjustments by DOR after return filing.

Statistics are as of February 22, 2018.

**Table 5: Tax Liability by Region from Filed Returns for 2016**

	Q1		Q2		Q3		Q4 (25% Rate)		Q4 (17% Rate)	
	Number of Filers	State Tax Liability	Number of Filers	State Tax Liability	Number of Filers	State Tax Liability	Number of Filers	State Tax Liability	Number of Filers	State Tax Liability
Central/Gorge/Eastern	28	\$942,163	27	\$1,247,347	31	\$2,222,676	29	\$1,475,261	15	\$384,599
Oregon Coast	38	\$1,048,374	39	\$1,313,176	43	\$2,086,000	41	\$1,187,029	17	\$223,605
Portland City Limits	127	\$5,170,598	128	\$6,147,690	129	\$7,924,218	125	\$5,985,358	39	\$765,422
Portland Surrounding Areas	28	\$2,105,425	28	\$2,582,370	31	\$3,206,403	31	\$2,791,623	13	\$427,553
Southern Oregon	29	\$761,383	28	\$1,084,241	29	\$1,718,930	23	\$872,272	9	\$163,200
Willamette Valley	66	\$2,613,314	77	\$3,611,473	80	\$5,009,320	74	\$3,623,047	30	\$453,031
Total	316	\$12,641,258	327	\$15,986,298	343	\$22,167,547	323	\$15,934,590	123	\$2,417,409

**Table 6: Total Taxable Sales Reported by Quarter for 2016**

	Number of Returns	Reported Taxable Sales
Q1: 25% Rate	315	\$51,578,421
Q2: 25% Rate	327	\$65,235,132
Q3: 25% Rate	343	\$90,490,964
Q4: 25% Rate	323	\$65,086,047
Q4: 17% Rate	123	\$14,510,256
<b>Total</b>		<b>\$286,900,820</b>

**Table 7: Total Taxable Sales by Region by Quarter for 2016**

	Number of Filers	Reported Taxable Sales
<u>Q1</u>		
Central/Gorge/Eastern	28	\$3,985,070
Oregon Coast	38	\$4,187,554
Portland City Limits	127	\$21,103,260
Portland Surrounding Areas	28	\$8,593,399
Southern Oregon	29	\$3,106,248
Willamette Valley	65	\$10,602,891
<b>Total</b>	<b>315</b>	<b>\$51,578,421</b>
<u>Q2</u>		
Central/Gorge/Eastern	27	\$5,091,210
Oregon Coast	39	\$5,350,101
Portland City Limits	128	\$25,088,419
Portland Surrounding Areas	28	\$10,540,301
Southern Oregon	28	\$4,423,412
Willamette Valley	77	\$14,741,689
<b>Total</b>	<b>327</b>	<b>\$65,235,132</b>
<u>Q3</u>		
Central/Gorge/Eastern	31	\$9,072,153
Oregon Coast	43	\$8,512,577
Portland City Limits	129	\$32,356,015
Portland Surrounding Areas	31	\$13,087,475
Southern Oregon	29	\$7,016,171
Willamette Valley	80	\$20,446,573
<b>Total</b>	<b>343</b>	<b>\$90,490,964</b>
<u>Q4: 25% Rate</u>		
Central/Gorge/Eastern	29	\$6,021,474
Oregon Coast	41	\$4,842,730
Portland City Limits	125	\$24,430,030
Portland Surrounding Areas	31	\$11,394,770
Southern Oregon	23	\$3,610,293
Willamette Valley	74	\$14,786,751
<b>Total</b>	<b>323</b>	<b>\$65,086,047</b>
<u>Q4: 17% Rate</u>		
Central/Gorge/Eastern	15	\$2,308,520
Oregon Coast	17	\$1,342,165
Portland City Limits	39	\$4,594,367
Portland Surrounding Areas	13	\$2,566,342
Southern Oregon	9	\$979,589
Willamette Valley	30	\$2,719,272
<b>Total</b>	<b>123</b>	<b>\$14,510,256</b>

**Table 8: Recreational Sales by Product Category, Just for Sales Taxed at 25% Rate  
(Not Including Sales Taxed at 17% Rate, Which are Shown in Table 10)**

	Number of Returns	Sales	Units Reported	Average Price
<b>Flowers</b>				
Q1	308	\$50,047,677	5,751,747	\$8.70
Q2	317	\$55,460,965	6,502,016	\$8.53
Q3	336	\$66,847,203	7,455,919	\$8.97
Q4	309	\$45,251,597	5,347,586	\$8.46
Total in 2016		\$217,607,442	25,057,268	\$8.68
<b>Extracts</b>				
Q2	284	\$4,296,137	158,737	\$27.06
Q3	320	\$16,220,274	531,989	\$30.49
Q4	300	\$12,091,399	392,564	\$30.80
Total in 2016		\$32,866,688	1,091,704	\$30.11
<b>Edibles</b>				
Q2	283	\$1,562,390	222,617	\$7.02
Q3	324	\$4,501,644	651,384	\$6.91
Q4	298	\$2,871,809	419,462	\$6.85
Total in 2016		\$9,071,712	1,308,740	\$6.93
<b>Topicals</b>				
Q2	226	\$304,176	15,137	\$20.09
Q3	294	\$974,198	54,243	\$17.96
Q4	264	\$691,306	29,730	\$23.25
Total in 2016		\$2,011,865	100,544	\$20.01
<b>Leaves</b>				
Q1	16	\$161,935	21,616	\$7.49
Q2	38	\$483,776	64,733	\$7.47
Q3	41	\$478,605	71,127	\$6.73
Q4	30	\$537,733	86,980	\$6.18
Total in 2016		\$1,662,049	244,455	\$6.80
<b>Immature Plants</b>				
Q1	106	\$227,696	13,227	\$17.21
Q2	144	\$683,608	36,456	\$18.75
Q3	147	\$238,879	52,678	\$4.53
Q4	80	\$134,471	10,185	\$13.20
Total in 2016		\$1,284,654	112,546	\$11.41
<b>Seeds</b>				
Q1	107	\$78,106	5,627	\$13.88
Q2	123	\$98,135	14,931	\$6.57
Q3	140	\$108,917	7,784	\$13.99
Q4	98	\$79,919	5,985	\$13.35
Total in 2016		\$365,077	34,327	\$10.64

Notes: Extracts, edibles, and topicals were not allowed until June 2016. Units are in grams for flowers and leaves, in number of seeds or plants, and in "units" for all others.

**Table 9: Flower Sales Only by Region by Quarter, Just for Sales Taxed at 25% Rate in 2016 (Not Including Sales Taxed at 17% Rate, Which are Shown in Table 11)**

	Number of Filers	Flower Sales	Grams	Average Per Gram	Average Sales	Average Grams
<u>Q1</u>						
Central/Gorge/Eastern	27	\$3,807,921	462,532	\$8.23	\$141,034	17,131
Oregon Coast	37	\$4,050,807	453,443	\$8.93	\$109,481	12,255
Portland City Limits	125	\$20,580,841	2,467,346	\$8.34	\$164,647	19,739
Portland Surrounding Areas	28	\$8,525,349	909,732	\$9.37	\$304,477	32,490
Southern Oregon	29	\$2,992,222	345,926	\$8.65	\$103,180	11,928
Willamette Valley	62	\$10,090,537	1,112,767	\$9.07	\$162,751	17,948
<b>Total</b>	<b>308</b>	<b>\$50,047,677</b>	<b>5,751,747</b>	<b>\$8.70</b>	<b>\$162,492</b>	<b>18,675</b>
<u>Q2</u>						
Central/Gorge/Eastern	27	\$4,314,007	462,195	\$9.33	\$159,778	17,118
Oregon Coast	38	\$4,577,796	518,973	\$8.82	\$120,468	13,657
Portland City Limits	122	\$21,742,793	2,774,118	\$7.84	\$178,220	22,739
Portland Surrounding Areas	26	\$8,303,036	909,427	\$9.13	\$319,348	34,978
Southern Oregon	28	\$3,674,585	430,230	\$8.54	\$131,235	15,365
Willamette Valley	76	\$12,848,747	1,407,074	\$9.13	\$169,062	18,514
<b>Total</b>	<b>317</b>	<b>\$55,460,965</b>	<b>6,502,016</b>	<b>\$8.53</b>	<b>\$174,956</b>	<b>20,511</b>
<u>Q3</u>						
Central/Gorge/Eastern	29	\$5,878,668	611,571	\$9.61	\$202,713	21,089
Oregon Coast	42	\$6,148,535	688,147	\$8.93	\$146,394	16,384
Portland City Limits	126	\$24,211,243	2,912,706	\$8.31	\$192,153	23,117
Portland Surrounding Areas	31	\$10,541,411	1,043,689	\$10.10	\$340,046	33,667
Southern Oregon	29	\$4,965,973	531,474	\$9.34	\$171,240	18,327
Willamette Valley	79	\$15,101,374	1,668,332	\$9.05	\$191,157	21,118
<b>Total</b>	<b>336</b>	<b>\$66,847,203</b>	<b>7,455,919</b>	<b>\$8.97</b>	<b>\$198,950</b>	<b>22,190</b>
<u>Q4</u>						
Central/Gorge/Eastern	29	\$3,730,199	405,178	\$9.21	\$128,628	13,972
Oregon Coast	39	\$3,289,105	387,733	\$8.48	\$84,336	9,942
Portland City Limits	119	\$17,607,775	2,247,521	\$7.83	\$147,964	18,887
Portland Surrounding Areas	30	\$8,025,008	851,949	\$9.42	\$267,500	28,398
Southern Oregon	21	\$2,190,414	259,678	\$8.44	\$104,305	12,366
Willamette Valley	71	\$10,409,095	1,195,527	\$8.71	\$146,607	16,838
<b>Total</b>	<b>309</b>	<b>\$45,251,597</b>	<b>5,347,586</b>	<b>\$8.46</b>	<b>\$146,445</b>	<b>17,306</b>

Note: Some returns may have been excluded from this analysis if they reported implausible data, or if they did not report a quantity sold. Returns reporting sales of \$0 are not included.



**Table 10: Recreational Sales by Product Category, Just for Sales Taxed at 17% State Tax Rate, October through December 2016 (Not Including Sales Taxed at 25% Rate, Which are Shown in Table 8)**

	Number of Filers	Taxable Sales	Taxable Sales by Month*			Taxable Quantity Sold*			Average Per Unit Price*		
			Oct	Nov	Dec	Oct	Nov	Dec	Oct	Nov	Dec
Leaves	22	\$1,030,459	\$296,694	\$317,174	\$416,592	13,597	22,316	31,623	\$21.82	\$14.21	\$13.17
Flowers	115	\$9,682,494	\$2,028,658	\$3,011,246	\$4,642,590	294,347	338,075	542,320	\$6.89	\$8.91	\$8.56
Plants	29	\$14,578	\$2,475	\$5,170	\$6,933	130	213	293	\$19.04	\$24.27	\$23.66
Edibles	109	\$920,832	\$207,635	\$245,611	\$467,586	23,794	24,278	39,216	\$8.73	\$10.12	\$11.92
Concentrates	61	\$680,653	\$181,541	\$236,956	\$262,156	5,242	7,069	7,731	\$34.63	\$33.52	\$33.91
Extracts	100	\$1,973,894	\$467,324	\$533,866	\$972,704	14,260	15,763	23,866	\$32.77	\$33.87	\$40.76
Topicals	88	\$127,437	\$29,554	\$36,567	\$61,316	1,080	1,360	2,769	\$27.36	\$26.89	\$22.14
Other Products	38	\$79,908	\$28,817	\$23,383	\$27,708	2,047	1,736	2,028	\$14.08	\$13.47	\$13.66

Notes: \* Some values are likely misleading due to small number of retailers, especially during October and November when only a small number of retailers had been OLCC licensed. Numbers for December are likely more sensible. Units are in grams for flowers and leaves, in number of seeds or plants, and in "units" for all others.

**Table 11: Flower Sales Only by Region, Just Those Taxed at 17% State Tax Rate, October through December 2016 (Not Including Sales Taxed at 25% Rate, Which are Shown in Table 9)**

	Number of Filers	Flower Sales	Grams	Average Per Gram
Central/Gorge/Eastern	14	\$1,344,812	132,855	\$10.12
Oregon Coast	15	\$818,505	97,249	\$8.42
Portland City Limits	37	\$3,077,980	342,622	\$8.98
Portland Surrounding Areas	12	\$1,784,150	280,588	\$6.36
Southern Oregon	8	\$652,721	70,199	\$9.30
Willamette Valley	29	\$2,004,327	251,229	\$7.98
<b>Total</b>	<b>115</b>	<b>\$9,682,494</b>	<b>1,174,742</b>	<b>\$8.24</b>

Note: Some returns may have been excluded from this analysis if they reported implausible data, or if they did not report a quantity sold. Returns reporting sales of \$0 are not included.

**Table 12: Tax Exempt Medical Sales, October through December 2016 (Reported on Tax Returns by OLCC Licensees Only, Not Including OHA Dispensaries, Which Could Also Sell Medical Marijuana)**

	Number of Filers	Medical Sales	Medical Sales by Month			Medical Quantity Sold			Average Per Unit Price*		
			Oct	Nov	Dec	Oct	Nov	Dec	Oct	Nov	Dec
Leaves	10	\$184,772	\$62,219	\$39,729	\$82,824	1,382	1,201	9,089	\$45.02	\$33.08	\$9.11
Flowers	72	\$1,155,464	\$294,718	\$335,568	\$525,178	45,065	57,174	81,226	\$6.54	\$5.87	\$6.47
Plants	14	\$8,705	\$2,342	\$3,047	\$3,316	174	146	180	\$13.46	\$20.87	\$18.42
Edibles	66	\$171,414	\$45,692	\$47,928	\$77,794	3,776	3,728	7,763	\$12.10	\$12.86	\$10.02
Concentrates	39	\$226,803	\$52,849	\$82,576	\$91,378	2,285	2,670	3,072	\$23.13	\$30.93	\$29.75
Extracts	62	\$289,881	\$90,978	\$76,412	\$122,490	3,270	2,725	3,432	\$27.82	\$28.04	\$35.69
Topicals	49	\$21,010	\$5,418	\$6,628	\$8,964	205	268	369	\$26.43	\$24.73	\$24.29
Other Products	19	\$12,093	\$4,430	\$4,020	\$3,643	819	270	492	\$5.41	\$14.89	\$7.40

Note: \* Some values are likely misleading due to small numbers of retailers, especially during October and November when only a small number of retailers had been OLCC licensed. Numbers for December are likely more sensible.

### Map of Regions Used in this Report

