



Recreational Marijuana Program

Compliance Education Bulletin

Marijuana Retailer Tax Compliance Rules

Bulletin CE2023-04

November 21, 2023



The Oregon Liquor & Cannabis Commission is providing the following information to recreational marijuana retailer licensees.

The bulletin is part of OLCC's compliance education. It is important that you read it and understand it. If you don't understand it, please contact the OLCC for help.

Marijuana licensees are responsible for reading, understanding, and complying with all applicable rules. This bulletin does not supersede any OLCC rule, nor does it cover every change made to the rules. Failure to understand and follow the information contained in this bulletin *could result in an OLCC administrative violation affecting your ability to work or operate your business.*

This education bulletin CE2023-04 covers amended rules addressing the following issues:

- Department of Revenue Certificates of Tax Compliance for Marijuana Recreational Retailers

Background

At the direction of the Governor's office, the Commission implemented temporary rules in June of 2023 to require Recreational Marijuana Retailers to submit a certificate of tax compliance for all individuals and legal entities that qualify as an applicant with new, change of ownership, change of business structure, and renewal applications. The requirements provide a mechanism to verify compliance with tax obligations and in November 2023 the Commission adopted these requirements in permanent rules that apply solely to retailers.

A certificate of tax compliance means a certificate, issued by the Department of Revenue (DOR) indicating an individual or entity has filed all required tax returns and paid all taxes due, or has entered and is complying with a DOR payment plan.

Important note about links in this document: Links to specific rules will always take you to the language that is currently in effect at the time you follow the link. ***Because these rules are not effective until December 13, 2023, following the links before then will not show the updated language adopted by OLCC on November 16, 2023.*** In the meantime, [you can see the final language that was filed with the Oregon Secretary of State in this document](#) on the OLCC website.

[New Retailer Applications \(OAR 845-025-1030\)](#)

For a new retailer application submitted after June 15, 2023, each applicant on the license will be required to submit a certificate of tax compliance issued no earlier than 90 calendar days prior to the

date the application was submitted. The applicant will have 60 calendar days from the date the Commission notifies the applicant their application has been assigned, to submit their certificates of tax compliance to the Commission. If the applicant fails to provide all required certificates of tax compliance, the application will be unassigned and placed back into the hold queue. Once the application is reassigned to OLCC staff to process, the applicant will be given an additional 60-calendar days to submit their certificates of tax compliance. If all certificates are not received in this additional 60-calendar day timeframe, the application is considered incomplete under OAR 845-025-1030 and the Commission will inactivate the application.

Retailer Change of Ownership Applications ([OAR 845-025-1170](#))

Certificates of tax compliance are required from the applicant (buyer) and the licensee (seller) for any individual or legal entity that would be deemed an “applicant” on either license. Certificates must be issued no earlier than 90 calendar days prior to the date the change of ownership request is submitted. Applicants will be given 60-calendar days from the date the Commission notifies the applicant their change of ownership has been assigned, to submit their certificates of tax compliance to the Commission. If the applicant and/or the licensee fail to submit their certificates of tax compliance, the application will be unassigned and placed back into the hold queue. Once the application is reassigned to OLCC staff to process, the applicant/licensee will have an additional 60-calendar days to submit their certificates of tax compliance. If all certificates are not received in this additional 60-calendar day timeframe, the application is considered incomplete under OAR 845-025-1170 and the Commission will inactivate the application.

Retailer Business Structure Changes ([OAR 845-025-1165](#))

When a licensee proposes a change in the business structure that adds a new applicant as defined in OAR 845-025-1045, a certificate of tax compliance is required for each new individual and/or legal entity applicant to be added to the license. The certificate must be issued no earlier than 90 calendar days prior to the date the change of business structure notification form was submitted. The licensee will have 60 calendar days to submit all required documents and certificates of tax compliance once the change of business structure is assigned to an investigator to process. If the licensee fails to provide the certificates of tax compliance within that 60-calendar day timeframe, the change of business structure will be deemed incomplete, and the licensee will need to resubmit the change in business structure.

For a retail license whose ownership is held by a publicly traded company, a licensee is required to provide a written notification to the Commission within 60 calendar days of a shareholder acquiring or accumulating 20% or more of the voting stock or adding or removing a corporate officer. For any new individual or legal entity that will acquire or accumulate 20% or more of the voting stock or is a new corporate officer, a certificate of tax compliance will be required for those individuals or legal entities. The certificate must be issued no earlier than 90 calendar days prior to the date the change of ownership request is submitted. Licensees will be given 60-calendar days from the date the change of business structure is assigned to an investigator to process, to submit the certificates of tax compliance. If the licensee fails to provide the certificates of tax compliance within that 60-calendar day timeframe, the change of business structure will be deemed incomplete, and the licensee will need to resubmit the change in business structure.

Retailer Renewal Applications ([OAR 845-025-1190](#))

Certificates of tax compliance are required for each applicant as described in OAR 845-025-1045 and must be issued no earlier than 90 calendar days prior to the expiration date of the license. A retailer who timely submits and pays for their renewal application and is actively working with DOR to obtain their required certificates of tax compliance will be allowed to continue to operate for an additional 90 calendar days after license expiration pending a decision by the Commission. If a retailer licensee fails to provide all certificates of tax compliance for applicants on their license within the additional 90 calendar days after expiration of their license, the renewal application will be deemed incomplete, the conditional authority to operate will be revoked and the license will be expired. The applicant will need to stop engaging in any licensed activity once the Commission deems the license as expired. d.

The Commission will notify the applicant in writing that the renewal application is incomplete due to failure to provide certificates of tax compliance for all applicants on the license within the additional 90-day timeframe and the license is expired. An applicant may submit a written request for reconsideration of the notice that the application is incomplete. Such requests must be received by the Commission within 10 days of the date the notice was sent to the applicant. The Commission shall give the applicants the opportunity to be heard if a renewal application is rejected based on failure to provide certificates of tax compliance. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS 183.310 to 183.550.

DEPARTMENT OF REVENUE CERTIFICATE OF TAX COMPLIANCE RESOURCES

- To request a certificate of tax compliance from DOR please visit their website at: <https://revenueonline.dor.oregon.gov/tap?Link=TaxComplianceCert>
- If you have tax specific questions, please email DOR at: Marijuanatax.dor@dor.oregon.gov.
- For a list of Frequently asked questions, please visit the OLCC website at: <https://www.oregon.gov/olcc/marijuana/Pages/MJ-Tax-Compliance.aspx>.
- Questions regarding the contents of this bulletin may be sent to: marijuana.licensing@oregon.gov.