



## CITY OF LOS ANGELES

### IMPORTANT INFORMATION

## Cannabis Business Tax Renewals

Beginning January 1, 2018 business taxation of cannabis activities changed from the sole taxation of medical marijuana sales to include all facets of cannabis business operations. The existing L050 Medical Marijuana business tax classification ceased to exist on that date and was replaced by the following tax classifications:

Classification	Activities Taxed	Tax Rate
L701 – Medical Cannabis Sales	All sales related to medical use cannabis by Retail or Microbusiness operations.	\$50 per \$1,000 in Gross Receipts
L702 – Adult-Use Cannabis Sales	All sales related to adult or recreational cannabis use by Retail or Microbusiness operations.	\$100 per \$1,000 in Gross Receipts
L703 – Cannabis Transportation	Transportation or delivery of cannabis products.	\$10 per \$1,000 in Gross Receipts
L704 – Cannabis Testing	Activities related to the testing of cannabis products.	\$10 per \$1,000 in Gross Receipts
L706 – Cannabis Cultivation	Wholesale sales related to the cultivation of cannabis.	\$20 per \$1,000 in Gross Receipts
L708 – Cannabis Miscellaneous	Sales related to all other cannabis activities such as manufacturing and packaging.	\$20 per \$1,000 in Gross Receipts

The taxation of these activities will be done initially on a quarterly basis and then move to a monthly reporting basis in July 2019. Activities related to the 1st quarter of 2018 (January, February, March) and the 2nd quarter of 2018 (April, May, June) will be both due on *July 1, 2018*. You are receiving a first and second quarterly renewal mailing for each one of your appropriate cannabis classifications.

**Cash Payments over \$1,000** - Businesses paying cash in excess of \$1,000 are required to make an appointment for payment at Los Angeles City Hall - 200 N. Spring Street, Room 101, Los Angeles, CA 90012. Note that *check, money order, and credit card payments* can be made at all three branch office locations and do not require an appointment. Cash payment appointment requests may be made by email or phone at least three business days in advance (but not more than a month in advance) of the desired appointment time. You may contact us via email at [finance.csd.appt@lacity.org](mailto:finance.csd.appt@lacity.org) or by phone at (213) 978-1540. An Office of Finance representative will respond at least 2 days prior to the scheduled appointment with confirmation and additional instructions.



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### Address Changes

The Department of Cannabis Regulation (DCR) would like to remind you that address changes and other general business updates need to be approved and processed by DCR prior to submitting the request to the Office of Finance or other City Agencies.

For address changes, you will need to email DCR staff ([DCRLicensing@lacity.org](mailto:DCRLicensing@lacity.org)) and provide the following information:

1. Statement of Information form from the Secretary of State showing new address
2. PDF Copy of Government issued ID (should match the ID for person who picked up the original L050 BTRC)
3. Current Lease Agreement (showing new Business Address)
4. Previous Lease Agreement (Showing old Business Address) or a letter of termination from landlord

Businesses applying for an address change shall be subject to the following rules:

1. All authorized cannabis activities may only be conducted at one location.
2. The applicant's proposed business address must comply with Chapter X Article 5 of the Los Angeles Municipal Code.
3. Grandfathering of commercial cannabis activities may not extend to the applicant's new proposed business address.

*If DCR approves the address change, the Office of Finance will process the address change in their system and reissue temporary approval documents and BTRC's.*