



Medical Marijuana Dispensary Laws: Fees and Taxes

Many patients believe medical marijuana should not be subject to sales tax because paying taxes on medicine can pose a hardship. The financial burden is compounded by the fact that medical marijuana is not covered by insurance. While sales taxes generally do not apply to prescription medications, most states' sales taxes apply to marijuana because it cannot be prescribed due to federal law. Instead, it is recommended or patients receive "certifications."

In addition to tax revenue, in most or all states with regulated dispensaries, the application and registration fees levied on medical marijuana businesses cover or exceed regulatory costs. Nonrefundable dispensary application fees generally range from \$1,000 to \$5,000, with registration or annual fees typically between \$5,000 and \$20,000. While medical marijuana business fees should not be so low that they encourage frivolous applications, it is important that they are not prohibitively high. Costs may be passed on to patients, who are already struggling.

State	Application and/or Registration Fee	Taxes
Arizona	\$5,000 application fee, \$1,000 for renewal	5.6% sales tax, plus local taxes
California	Varies, all licensing is local until early 2018	7.5% state sales tax, also local taxes
Colorado	Applications: \$6,000 to \$14,000 for medical marijuana centers, \$1,000 for infused product manufacturers Registrations: \$3,000 to \$11,000 for centers, \$2,200 for infused product manufacturers Renewals: \$3,300 to \$11,300 for centers, \$2,500 for infused product manufacturers	2.9% state sales tax, also local taxes
Connecticut	Applications: \$1,000 for dispensaries; \$25,000 for producers Permit and annual renewal fees: \$5,000 for dispensaries; \$75,000 for producers	6.35% state sales tax applies
Delaware	\$5,000 compassion center application fee; \$40,000 compassion center certification and biennial renewal fee	Gross receipts tax if above \$1.2 million in revenue
Illinois	Applications: \$5,000 for dispensary centers; \$25,000 for cultivation centers License fees: \$30,000 per dispensary; \$200,000 per cultivation center Annual renewal fees: \$25,000 per dispensary; \$100,000 per cultivation center	7% excise tax at wholesale level and 1% sales tax
Maine	\$15,000 application fee, \$14,000 refunded to applicants that aren't chosen; \$15,000 renewal fee	5% sales tax and 7% meals and rooms tax on edible products
Maryland	Application fees (in two stages): for growers and for processors \$6,000; for grower/dispensaries: \$11,000; for dispensaries only: \$5,000 Annual license fees: for growers: \$125,000; for	Likely not taxed; state sales tax does not apply to medicine

State	Application and/or Registration Fee	Taxes
Maryland (continued)	dispensary/growers: \$165,000; for processors: \$40,000; for dispensaries: \$40,000	
Massachusetts	\$1,500 stage 1 application fee; \$30,000 stage 2 application fee; \$50,000/year license registration fee	Medical marijuana sales are not taxed
Minnesota	\$20,000 manufacturer application fee; the annual fee is not yet set, but is expected to be between \$75,000 and \$100,000	Medical marijuana sales are not taxed
Nevada	\$5,000 medical marijuana establishment application fee; \$3,000 cultivation facility certification fee; \$3,000 edible marijuana products or marijuana-infused product establishment certification fee; \$5,000 independent testing laboratory certification fee; \$30,000 medical marijuana dispensary certification fee	6.85% to 8.1% state and local sales tax likely applies, in addition to a 2% excise tax for wholesale sales and 2% excise tax for retail sales
New Hampshire	\$3,000 request for application fee; annual registration: \$80,000 or \$40,000 (payable in stages), depending on the geographic area where the center is located	New Hampshire does not have a sales tax
New Jersey	\$20,000 dispensary fee each year, \$2,000 for unsuccessful applicants	7% sales tax
New Mexico	\$1,000 application fee for producers, annual producer fee from \$5,000 to \$30,000	Gross receipts tax (5.125% to 8.8675% depending on location in state)
New York	\$10,000 application fee; \$200,000 registration fee for two-year registration period	7% excise tax, 7% sales tax
Ohio	Regulators have not yet established fees	5.75% state sales tax, plus any local tax
Oregon	\$250 application fee; \$1,000/year license fee	Oregon does not have a sales tax
Pennsylvania	Applications: \$5,000 non refundable fee for dispensaries, \$10,000 for grower/processors Licenses: \$30,000 for each dispensary location (with a \$5,000 renewal), \$200,000 for grower/processors (\$10,000 renewal)	Grower/processors pay 5% tax on sale of medical cannabis
Rhode Island	\$250 application fee, \$5,000 biennial registration fee	Compassion center surcharge of 4%; 7% state sales tax
Vermont	\$2,500 application fee, \$20,000 or \$30,000 annual fee	Medical marijuana sales are not taxed
Washington, D.C.	\$5,000 application fee for dispensaries and cultivators, \$3,000/year renewal fee for dispensaries and cultivators; additional \$10,000/year fee for dispensaries, \$5,000/year fee for cultivators	6% sales tax