FTB Cannabis Update

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April 12, 2018
FTB Cannabis Journey

- We are Here
- Looking Ahead
- Looking Back: Pre-2018
FTB Cannabis Journey

- Proposition 64 / Senate Bill 94
  - Formed departmental team
  - Exception based cash policy
  - Collaboration
    - Other agencies
    - Industry experts
FTB Cannabis Journey

• Education and Outreach
  – Webpage
  – Email: FTBcannabis@ftb.ca.gov
  – Workshops and symposiums
FTB Cannabis Journey

- Education and Outreach

Looking Back: Pre-2018

I Own a Cannabis Business. Where do I find Tax Information?

**Income Tax**
California taxes its residents on all income, including income from cannabis business activities. California taxes non-residents on income from California sources. All income apportioned to California by business entities is taxable. Income from entities organized as not-for-profit is also taxable. For information about California income tax for cannabis business activities, visit ftb.ca.gov/Cannabis.

**Sales, Use, and Cannabis Taxes**
If you operate a cannabis business in California, you generally are required to register and file tax returns with the California Department of Tax and Fee Administration. For information about the requirements that apply to your business, view the Tax Guide for Cannabis Businesses at cdtt.ca.gov/Industry/Cannabis.htm.

**Payroll Taxes**
California businesses that hire employees to perform services are required by law to withhold, report, and pay payroll taxes. For information about cannabis industry payroll tax and reporting, visit edd.ca.gov/Cannabis.
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- Education and Outreach

Payment Options
Generally, state agencies do not accept cash payment for taxes. If paying in cash is necessary to avoid undue hardship, you may request an exemption. Go to the applicable state department website on SIDE 1 for more information.

Recordkeeping
California law requires that you keep accurate and complete documentation to support all business activities.

Additional Information for your Cannabis Business

Local Licensing
Cannabis businesses must get any required licenses and permits from their city or county government prior to applying for a state license.

State Licensing Agencies
- Bureau of Cannabis Control
  Website: bcc.ca.gov
  License Types: Testing laboratories, distribution, retail, micro-businesses

- CalCannabis Cultivation Licensing, California Department of Food and Agriculture
  Website: calcannabis.cdfa.ca.gov
  License Types: Cultivation

- California Department of Public Health
  Website: cdph.ca.gov
  License Types: Manufacturing

Other Resources
- cannabis.ca.gov
- businessportal.ca.gov
- bizfile.sos.ca.gov
- taxes.ca.gov
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• Sub Teams:
  – Operational
  – Education/Outreach
  – Compliance
  – Legislation
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- Education and Outreach
  - Facebook Live: Cash Basis Taxpayers
  - Bureau of Cannabis Control Workshops
  - Hosted Interested Parties Meetings
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• Cash Process
  – CDTFA Phase 1
  – Forms and Web updates

• Education and Outreach
  – Webinar | YouTube
  – Workshops and symposiums
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- Track Developments
  - Federal and Statewide
  - Legislation
  - Banking
Questions?