

CHAPTER 65. SALES AND USE TAX

SUBCHAPTER 19. SPECIFIC APPLICATIONS AND EXAMPLES

PART 25. "M"

710:65-19-216. Medical marijuana

(a) **Definitions.** The following words and terms, when used in this Section shall have the following meaning, unless the context clearly indicates otherwise:

- (1) **"Commission"** means the Oklahoma Tax Commission.
- (2) **"Department"** means the Oklahoma State Department of Health.
- (3) **"Dispensary"** means an entity that has been licensed as a dispensary by the Department pursuant to Title 63 of the Oklahoma Statutes.
- (4) **"Grower"** or **"Commercial Grower"** means an entity that has been licensed as a commercial grower by the Department pursuant to Title 63 of the Oklahoma Statutes.
- (5) **"Medical Marijuana"** means marijuana that is grown, processed, dispensed, tested, possessed, or used for a medical purpose.
- (6) **"Medical Marijuana Product"** means a product that contains cannabinoids that have been extracted from plant material or the resin therefrom by physical or chemical means and is intended for administration to a qualified patient, including but not limited to oils, tinctures, edibles, pills, topical forms, gels, creams, forms medically appropriate for administration by vaporization or a nebulizer, patches, tinctures, and liquids excluding live plant forms.
- (7) **"Processor"** means an entity that has been licensed as a processor by the Department pursuant to Title 63 of the Oklahoma Statutes.

(b) **General permitting requirements.** In order to begin selling medical marijuana and medical marijuana products, a dispensary must either hold or obtain an Oklahoma sales tax permit from the Commission pursuant to OAC 710:65-9-1.

(c) **Sales of medical marijuana and marijuana products.** Gross receipts derived from sales of medical marijuana and medical marijuana products are subject to state and local sales tax.

(d) **Sales tax computation.** The 7% gross receipts tax is not part of the gross receipts for purposes of calculating the sales tax due, if the tax is shown separately from the price of the medical marijuana. Example:

<u>Medical Marijuana</u>	<u>\$100.00</u>
<u>7% Gross Receipts Tax</u>	<u>\$ 7.00</u>
<u>State & Local Sales Tax [8.5%]</u>	<u>\$ 8.50 (use applicable tax rate for your location)</u>
<u>Total</u>	<u>\$115.50</u>

(e) **Agricultural sales tax exemption permit eligibility.** Provided all other requirements are met, persons possessing a commercial grower license issued by the Department are eligible for an agricultural sales tax exemption permit. The applicant grower must provide the commercial grower license number issued to the grower by the Department.

(f) **Manufacturer's sales tax exemption permit ineligibility.** The processing of marijuana is not commonly regarded as manufacturing; therefore, marijuana processors are not eligible for a manufacturer's sales tax exemption permit. However, processors are eligible for an Oklahoma sales tax permit which will allow them to purchase marijuana and other marijuana products exempt from sales tax to be resold to dispensaries.