

MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT (EXCERPT)
Initiated Law 1 of 2018

333.27963 Imposition of excise tax; administration by department of treasury; exemptions.

Sec. 13.

(1) Except as otherwise provided in subsection (4), in addition to all other taxes, an excise tax is imposed on each marihuana establishment and on each person who sells marihuana at the rate of 10% of the sales price for marihuana sold or otherwise transferred to a person other than a marihuana establishment or tribal marihuana business.

(2) Except as otherwise provided by a rule promulgated by the department of treasury, a product subject to the tax imposed under this section may not be bundled in a single transaction with a product or service that is not subject to the tax imposed by this section.

(3) The department of treasury shall administer the taxes imposed under this act pursuant to 1941 PA 122, MCL 205.1 to 205.31. The department of treasury may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to MCL 24.328, that prescribe a method and manner for payment and collection of the taxes imposed under this act.

(4) The tax imposed under subsection (1) does not apply to any of the following:

(a) Marihuana sold or otherwise transferred from a tribal marihuana business.

(b) Marihuana sold or otherwise transferred under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

(c) Marihuana sold or otherwise transferred under the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018 ;-- Am. 2023, Act 166, Imd. Eff. Oct. 19, 2023

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.