



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

MAY 26, 2016

## Collective gardens eliminated after June 30, 2016

Beginning July 1, 2016, collective gardens may no longer operate in Washington.

Also beginning July 1, 2016, businesses that sell any type of marijuana in Washington (including marijuana concentrates, useable marijuana, and marijuana infused products) must be licensed with the Liquor and Cannabis Board (LCB) ([Engrossed Second Substitute Senate Bill \(E2SSB\) 5052 \(Chapter 70, Laws of 2015\)](#)).

## Temporary sales and use tax exemption expires on July 1, 2016

The temporary sales and use tax exemption for collective gardens and qualifying patients and designated providers participating in collective gardens expires July 1, 2016. For more information on this exemption, see our [Special Notice: Temporary Sales and Use Tax Exemptions for Medical Marijuana from Collective Gardens](#).

All retail sales of marijuana by collective gardens before July 1, 2015, were subject to sales tax and business and occupation (B&O) tax. Collective gardens are still liable for unpaid taxes associated with these prior sales.

## All businesses must register and pay taxes to the Department of Revenue

Beginning July 1, 2016, sales of marijuana by any business not licensed by LCB are illegal.

Any business that sells marijuana, regardless of its license status with LCB, must still file and pay taxes to the Department of Revenue (Department).

Failure to file and pay taxes to the Department may result in the revocation of your business license. Operating a business without a business license is a gross misdemeanor and continuing to operate with a revoked business license is a class C felony ([RCW 82.32.290](#)).

## For more information

- Medical marijuana and the voluntary database for qualifying patients and designated providers (Department of Health): [doh.wa.gov/medicalmarijuana](http://doh.wa.gov/medicalmarijuana)
- Cooperatives and the licensed production and sale of marijuana (LCB): [liq.wa.gov/mj2015/cppa-impact-lcb](http://liq.wa.gov/mj2015/cppa-impact-lcb)
- Taxation of marijuana (Department of Revenue): [dor.wa.gov/marijuana](http://dor.wa.gov/marijuana)

PO BOX 47478 | OLYMPIA, WASHINGTON 98504-7478 | 1-800-647-7706 | [DOR.WA.GOV](http://DOR.WA.GOV)

For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov> or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.