Marijuana Excise Tax

RCW 69.50.535 and 69.50.540

Tax Base
The selling price on each retail sale of marijuana concentrates, useable marijuana, and marijuana-infused products. This tax is in addition to state and local retail sales and use taxes.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the Tax Exemption Study.

Tax Rate
37 percent.

Recent Collections ($000)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Collections</th>
<th>% Change</th>
<th>% of All State Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$361,169</td>
<td>14.9%</td>
<td>1.7%</td>
</tr>
<tr>
<td>2017</td>
<td>$314,460</td>
<td>69.3%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2016</td>
<td>$185,778</td>
<td>187.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2015</td>
<td>$64,530</td>
<td>--</td>
<td>0.4%</td>
</tr>
<tr>
<td>2014</td>
<td>$2</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2013</td>
<td>$0</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2012</td>
<td>$0</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2011</td>
<td>$0</td>
<td>--</td>
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</tr>
<tr>
<td>2010</td>
<td>$0</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2009</td>
<td>$0</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: Washington State Liquor and Cannabis Board

Distribution of Receipts
All marijuana excise tax receipts are deposited into the Marijuana Account. Additionally, receipts from license fees, penalties, and forfeitures are also deposited into this account.

RCW 69.50.540 requires the legislature to make appropriations each fiscal year from the Marijuana Account to multiple agencies, universities, and other government entities, including:

- Liquor and Cannabis Board
- Department of Ecology
- State Patrol
- Institute for Public Policy
- Department of Health
- Washington State Health Care Authority
- Office of the Superintendent of Public Instruction
- University of Washington
Marijuana Excise Tax

- Washington State University
- Eligible cities and counties

Additional transfers are made from the Marijuana Account to other accounts including the Basic Health Plan Trust Account and the State General Fund.

For more information, refer to RCW 69.50.540.

**Levied by**  
State

**Administration**  
Liquor and Cannabis Board.

Licensed marijuana retailers collect marijuana excise tax from the buyer and remit to the Liquor and Cannabis Board through an electronic tax filing system. Payment of this tax is due by the 20th day of the month for the previous month’s activity.

**History**

2015  
The 25 percent marijuana excise taxes payable by marijuana producers and processors are eliminated. The 25 percent marijuana excise tax on retailers is modified by imposing the tax on the buyer of marijuana product. The rate is changed to 37 percent and applies to the final retail price of marijuana products subject to the tax.

2015  
No marijuana excise tax exemptions were established, but the legislature created a retail sales and use tax exemption for qualifying patients holding a medical cannabis authorization card and their providers.

2014  
Marijuana is excluded from certain tax preferences, including all agricultural tax preferences.

2012  
Voters passed Initiative 502 legalizing recreational marijuana sales, processing, and production in Washington. I-502 also established a 25 percent excise tax on each level of production (producer to processor, processor to retailer, and retailer to consumer sales) in addition to requiring business and occupation taxes and state and local retail sales and use taxes.
1998 Voters passed Initiative 692, which permitted the use of marijuana for medical purposes by qualifying patients. No specific taxes were applied to medical marijuana.