

DEPARTMENT OF TREASURY

STATE TREASURER

GENERAL SALES AND USE TAX RULES

SPECIFIC SALES AND USE TAX RULES

Filed with the secretary of state on

These rules become effective immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(6) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, MCL 24.244, or MCL 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the department of treasury by section 3 of the revenue act, 1941 PA 122, MCL 205.3)

R 205.141 is added to the Michigan Administrative Code as follows:

SPECIFIC SALES AND USE TAX RULES

R 205.141 Marihuana.

Rule 91. (1) All sales of marihuana, whether legal or illegal, are subject to the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, based on the “sales price” of the property as defined by MCL 205.51(1)(d). The taxable “sales price” of marihuana includes the 10% excise tax levied under section 13 of the Michigan regulation and taxation of marihuana act, MCL 333.27963(1).

Example: ABC Inc. is licensed to sell adult-use marihuana as a marihuana retailer under the Michigan regulation and taxation of marihuana act, MCL 333.27951 to 333.27967. ABC sells marihuana to customer for \$100.00. ABC is liable for \$10.00 of marihuana excise tax. ABC is also liable for sales tax on this transaction. The amount of sales tax due is 6% of \$110.00 or \$6.60.

(2) The use, storage, or consumption of marihuana in this state is subject to the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

(3) For purposes of the general sales tax act and the use tax act, marihuana, in any form, does not constitute the exempt sale, use, storage, or consumption of food or prescription drugs under MCL 205.54g or MCL 205.94d.