



City of Palm Springs

Department of Finance and Treasury

3200 E. Tahquitz Canyon Way • Palm Springs, California 92262
Tel: (760) 323-8229 • Fax: (760) 322-8320 • Web: www.palmspringsca.gov

February 19, 2014

Notice Regarding Cannabis and Marijuana Tax

To all Marijuana Collective Owners/Operators:

On November 5, 2013, Palm Springs voters approved Measure B, an ordinance authorizing the City of Palm Springs ("City") to impose a tax on all cannabis and marijuana dispensaries, collectives, or cooperatives. Resolution No. 23476 establishes the Cannabis and Marijuana Tax, imposing a tax on the proceeds of cannabis and marijuana collectives as defined in Ordinance 1831, in a maximum amount of up to 15 cents of every dollar in proceeds, or fractional part thereof.

Tax returns must be filed monthly with the Tax Administrator and are due on or before the last day of each calendar month following the month for which the tax is due and based upon the preceding calendar month's proceeds. Pursuant to Palm Springs Municipal Code Section 9.23.15, marijuana collectives operating with a valid City Council-issued permit will be taxed at the rate of 10 cents for each dollar (or portion thereof) of proceeds. Marijuana collectives operating without a valid City Council-issued permit will be taxed at the rate of 15 cents for each dollar (or portion thereof) of proceeds.

Returns must be filed even if no tax is due. A penalty of 25% of the amount of the tax due, plus interest of 1% per month, will be added to all delinquent returns. For late returns where no tax is due, an assessment will be applied which shall be at the discretion of the Tax Administrator. Please see the attached schedule for important information on tax return due dates and delinquencies.

This notice does not constitute final or complete interpretation of all legal requirements. Rather, this is a brief summary of the Cannabis and Marijuana Tax. A copy of Resolution No. 23476 and Ordinance No. 1831 are attached for your review. For the full text of the Cannabis and Marijuana Tax, please refer to Chapter 3.35 of the Palm Springs Municipal Code. Information is also available on the Finance page of the City's website at www.palmspringsca.gov.

If you have any questions regarding the collection and application of this tax, please contact Robert Burkholder in the Finance Department at (760) 323-8223.

Sincerely,

Geoffrey S. Kiehl
Finance Director / Tax Administrator
City of Palm Springs