

Tax Bulletin

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tax.utah.gov

Tax Bulletin 18-24

Effective: Jan. 1, 2025

Re: Cannabinoid Licensing and Tax Act

The 2024 Utah Legislature passed HB 52, *Industrial Hemp Amendments*.

Among its provisions, effective Jan. 1, 2025, HB 52:

1. enacts the *Cannabinoid Licensing and Tax Act*;
2. requires a cannabinoid product seller to pay a bond and be licensed by the Tax Commission (see Utah Code §59-31-201); and
3. exempts cannabinoid products from sales and use tax (see Utah Code §59-12-104);
4. creates a cannabinoid product tax of 10 percent (see Utah Code §§59-31-301 and 302);
5. requires a cannabinoid products retailer who sells a cannabinoid product to a consumer to collect, report and pay the tax (see Utah Code §59-31-302).

Cannabinoid Products*

A *cannabinoid product* is a product that:

1. contains or claims to contain a naturally-occurring cannabinoid(s);
2. contains less than a combined 0.3 percent THC and THC analog concentration;
3. contains an amount of combined THC and THC analog that is no more than:
 - 10 percent of the total cannabinoid content,
 - 5 milligrams per serving, and
 - 150 milligrams per package; and
4. has a serving size that is a whole number (not a fraction), unless the product is an oil.

See Utah Code §4-41-102 for a full definition. For more information about cannabinoid products, see Publication 67, *Cannabinoid Product Tax*, at tax.utah.gov/forms-pubs.

Requirements

On or before Jan. 1, 2025, cannabinoid retailers must get a *Cannabinoid Product License* from the Tax Commission and pay a bond (see Utah Code §59-31-202). The minimum amount of the bond is \$500. Apply for the license at Taxpayer Access Point (tap.utah.gov).

Starting Jan. 1, 2025, a retailer must collect the cannabinoid tax at a rate of 10 percent of the retail price. You must report and pay the tax electronically using TC-551, *Quarterly Return*.

Questions...

For more information, see HB 52 online at [le.utah.gov](https://leg.utah.gov).

See a list of approved cannabinoid products at agbusiness.utah.gov/s/industrial-hemp-registered-products.

E-mail: tobenforcement@utah.gov

Website: tax.utah.gov

Phone: 801-297-2900

Toll free: 1-800-662-4335

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* Cannabinoids subject to tax include THC, Delta 9 THC, Delta 8 THC, THCA, THCV, CBD, CBL, CBC, CBN, CBDV, CBE, CBG, CBGV and CBV. Taxable products may also list MCT oil, hemp extract or CBD oil, or include the phrase "hemp infused."