

## General Information

The Tax Commission administers the cannabinoid product tax laws in Utah. Cannabinoid product retailers must be licensed by the Tax Commission. Cannabinoid products must be registered with the Utah Department of Agriculture.

This publication is provided for general guidance. It does not contain all relevant tax laws. See Utah Code Title 59, Chapter 31, *Cannabinoid Licensing and Tax Act*.

## Cannabinoid Product Definition

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 and definitions of other terms related to this tax.

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### Cannabinoid Product Identification

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.”

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## What is Legal to Sell

~~Cannabinoid products may only be sold in Utah if approved by the United States Food and Drug Administration.~~

A cannabinoid product must ~~also~~ be registered with the Utah Department of Agriculture. See the list of registered products at [agbusiness.utah.gov/s/industrial-hemp-registered-products](https://agbusiness.utah.gov/s/industrial-hemp-registered-products).

~~You may not sell or give a cannabinoid product that contains THC (or a THC analog) to an individual who is less than 21 years old. See Utah Code §4-41-105.~~

## License and Bond

### License

You must be licensed by the Tax Commission to sell, offer to sell, or distribute cannabinoid products to a Utah consumer. See Utah Code §59-31-201.

There is no fee for a *Cannabinoid Product License*, but you must post a bond (see *Bond*, below). The license is valid for three years and may be renewed before it expires. If your license expires, you must re-apply.

*Cannabinoid Product Licenses* are owner- and location-specific and are not transferable.

Register for an account and apply for a *Cannabinoid Products License* at [tax.utah.gov](https://tax.utah.gov). To set up and create your TAP profile for online access, you will need your:

1. Federal employer identification number or Social Security number,
2. Utah 14-digit account number, and
3. PIN.

### Bond

We will not issue a license until you have posted a cash or surety bond equal to at least your tax liability for a three-month reporting period. The minimum bond amount is \$500.00.

- If submitting a **surety bond**, deliver the original to the Tax Commission, Miscellaneous Tax Division.
- If submitting a **cash bond**, make payment at **tap.utah.gov** and choose payment type “CBD cash bond”

We may increase your required bond value if it does not meet the bond requirements.

## Cannabinoid Products Tax

The tax on cannabinoid products is 10 percent of retail price.

- A **licensed seller** must collect, report and pay the tax on all consumer sales.
- A **consumer** who purchases an untaxed cannabinoid product(s) must pay use tax.

## Report, File and Pay

### Retailers

You must file reports and returns, renew licenses, and make payments electronically at **tap.utah.gov**.

### Consumers

File form TC-551CU (*Cannabinoid Products Consumer Use Tax*) and pay the tax due. See **tax.utah.gov/forms-pubs**.

## Inspections

The Tax Commission conducts inspections/audits to ensure cannabinoid product tax compliance.

- Keep all records and invoices for three years.
- Renew your *Cannabinoid Products License* prior to expiration.

## Forms

<b>TC-551</b>	<i>Cannabinoid Products Tax Return</i> (electronic only)
<b>TC-551R</b>	<i>Cannabinoid Products Licensing Renewal</i> (electronic only)
<b>TC-551CU</b>	<i>Cannabinoid Products Consumer Use Tax</i>
<b>TC-763CB</b>	<i>Cannabinoid Products Tax Surety Bond</i>