



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-23-01

January 1, 2023

NOTICE OF FAIR MARKET VALUES FOR CANNABIS EXCISE TAX

SALES OR TRANSFERS FROM A CULTIVATION FACILITY TO A MEDICAL CANNABIS ESTABLISHMENT WITH NO COMMON OWNERSHIP

A 5% excise tax shall be applied to the sales price of a cultivation facility's first sale or transfer of cannabis flower or cannabis trim to a medical cannabis establishment.

SALES OR TRANSFERS FROM A CULTIVATION FACILITY TO A MEDICAL CANNABIS ESTABLISHMENT WITH COMMON OWNERSHIP

The 5% excise tax shall be calculated using the fair market value of the cannabis flower or cannabis trim on the first sale or transfer of cannabis flower or cannabis trim to a medical cannabis establishment having common ownership with the cultivator. The fair market value is only used when the cultivator shares common ownership with the medical cannabis establishment.

The fair market value of medical cannabis flower and medical cannabis trim is set by the Department for the purposes of levying the cannabis excise tax pursuant to Senate Bill 2095 of the 2022 Regular Legislative Session on the first sale or transfer of medical cannabis flower or medical cannabis trim between cultivators and other common ownership medical cannabis establishments. MS Administrative Code 35.VIII.4.01

The fair market values effective January 1, 2023, are as follows:

Category	Fair Market Value
Flower sold to common interest establishment	\$3,200 per lb.
Trim sold to common interest establishment	\$640 per lb.

MDOR shall recalculate and adjust the fair market value of cannabis flower and cannabis trim twice per calendar year on January 1 and July 1.

If you have any questions, please contact the Sales Tax Department at 601-923-7015.