

35.IV.4.11

Chapter 11 Medical Cannabis Establishment

100 Definitions

101 “Cannabis” means all parts of the plant of the genus cannabis, the flower, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or its resin, including whole plant extracts. It does not mean cannabis derived from drug products approved by the federal Food and Drug Administration under Section 505 of the Food, Drug and Cosmetic Act.

102 “Cannabis products” means cannabis flower, concentrated cannabis, cannabis extracts, and products that are infused with cannabis or an extract thereof and are intended for use or consumption by humans. The term includes, without limitation, edible cannabis products, beverages, topical products, ointments, oils, tinctures and suppositories that contain tetrahydrocannabinol (THC) and/or cannabidiol (CBD) except those products excluded from control under Miss. Code Sections 41-29-113 and 41-29-136.

103 “Cardholder” is a registered qualifying patient or a registered designated caregiver who has been issued and possesses a valid registry identification card.

104 “Dispensary” is an entity licensed and registered with the Department of Revenue that acquires, possesses, stores, transfers, sells, supplies, or dispenses medical cannabis, cannabis products, equipment used for medical cannabis, or related supplies and educational materials to cardholders.

105 “Equipment used for medical cannabis” includes pipes, bongs, rolling machines, grinders and similar products. Related supplies include rolling papers, bags, glass container jars, rolling trays and similar products.

106 "Medical cannabis establishment" means a cannabis cultivation facility, cannabis processing facility, cannabis testing facility, cannabis dispensary, cannabis transportation entity, cannabis disposal entity or cannabis research facility licensed and registered by the appropriate agency.

107 Reserved

200 Sales of Medical Cannabis

201 Medical cannabis cultivation facilities may only sell medical cannabis to medical cannabis cultivators, processors or dispensaries registered with the appropriate agencies. A valid resale number and ten-digit medical cannabis license number is required to substantiate a wholesale sale.

202 Medical cannabis cultivators or medical cannabis processors who transfer medical cannabis to a medical cannabis testing or research facility owe sales tax on the value or cost of the product

transferred. The tax liability accrues at the time of transfer and should be remitted to the State with the same return and in the same manner as any other sales tax liability.

- 203 Medical cannabis processing facilities may only sell medical cannabis to other registered medical cannabis processors and dispensaries. A valid resale number and ten-digit medical cannabis license number is required to substantiate a wholesale sale.
- 204 Medical cannabis dispensaries may only sell medical cannabis, equipment used for medical cannabis, or related supplies and educational materials. Medical cannabis must be obtained from a medical cannabis cultivation facility or processing facility licensed by the Mississippi Department of Health or from another dispensary licensed by the Department of Revenue. These items may only be sold to cardholders or another dispensary licensed by the Department of Revenue. A valid resale number and ten-digit dispensary license is required as documentation of a wholesale sale. All other sales are taxable at the regular retail sales tax rate.
- 205 Items that are prohibited from being sold by dispensaries include, but are not limited to, clothing, food that does not contain cannabis, beverages that do not contain cannabis, propane, or vaping products that do not contain cannabis.
- 206 Medical cannabis is not subject to sales tax when transferred to a medical cannabis disposal entity licensed by the Mississippi Department of Health.
- 207 Reserved
- 300 Record Keeping
- 301 Each medical cannabis dispensary is required to use the statewide seed-to-sale tracking system maintained by the Mississippi Department of Health. Information entered in the seed-to-sale tracking system shall include each day's beginning inventory, harvests, acquisitions, sales, disbursements, remediations, disposals, transfers, ending inventory, and any other data necessary for inventory control records in the statewide seed-to-sale tracking system.
- 302 Adequate records must be maintained to substantiate tax classifications of sales. Adequate records shall include, but is not limited to, itemized invoices for cannabis products purchased, bank statements and cancelled checks, and any/all other sales and/or accounting records. Itemized purchase invoices and tickets shall bear the items purchased, the date of purchase, name of the seller and purchaser. Cash register tapes may not be used in lieu of itemized invoices for record purposes; however, all sales records shall be maintained.
- 303 Reserved
- 400 Payment
- 401 Electronic filing of returns will be required through use of the Department's TAP system. Electronic payment of sales tax will be required unless the medical cannabis establishment has written approval from the Department of Revenue to use another payment method.

402 Reserved

Sub Part 03 Taxability

Chapter 01 Wholesale Sales

104 Wholesale sales of medical cannabis may only be made to licensed medical cannabis cultivators, medical cannabis processors, or medical cannabis dispensaries. The purchaser must provide their sales tax number and ten-digit license number as documentation of a valid wholesale sale.

105 Reserved