



MISSISSIPPI
MEDICAL MARIJUANA
ASSOCIATION



HIGH LIFE
CANNABIS CPAs

MMCP Tax Compliance Guide

Payroll, Excise and Sales Tax
information for licensees

Payroll Taxes

ALL LICENSED MEDICAL CANNABIS ENTITIES (cultivators, processors, dispensaries, testing facilities, transportation entities, and disposal entities) that employ staff are required to comply with **Mississippi payroll tax laws.**

Requirements

- **Withholding:** Employers must withhold **Mississippi state income tax** from employee wages.
- **Registration:** Businesses must register for **payroll tax accounts** via the **Mississippi Taxpayer Access Point (TAP)**.
- **Filing & Payment:** Employers are required to file withholding tax returns and make payments electronically, unless granted an exception.

Excise Tax

LICENSED MEDICAL CANNABIS

CULTIVATORS are subject to a **5%** excise tax on the first sale or transfer of medical cannabis flower or trim.

Requirements

- **Sales to unrelated entities:** the 5% excise tax is applied to the sales price of the first sale or transfer to a medical cannabis establishment.
- **Transfers to Related Entities:** If the transfer is to a related entity (common ownership), the 5% excise tax is calculated based on the fair market value, as determined biannually by the Department of Revenue (see MSDR Excise tax page)
- **Filing:** Excise tax returns must be filed electronically by the 20th of the month following the reporting period.

Sales Tax

- **Dispensaries:** Required to collect and remit a 7% sales tax on all retail sales of medical cannabis to cardholders.
- **Cultivators & Processors:** If making sales of tangible personal property (e.g., medical cannabis), cultivators & processors must obtain a sales tax account and permit.
- **Processors:** Processors may need a direct pay permit to remit sales tax directly to the state.

Additional Notes

- **Local Taxes:** Additional local sales taxes may apply in certain municipalities, such as Jackson and Tupelo.
- **Record-Keeping:** All medical cannabis establishments are required to maintain detailed records, including daily inventory, sales, and transfers, using the state's seed-to-sale tracking system.

Resources



THE UNIVERSITY OF
MISSISSIPPI

National Center for
Cannabis Research
and Education



Mississippi Medical
CANNABIS
Program