



EL DORADO COUNTY

RETAIL, DISTRIBUTION AND DELIVERY COMMERCIAL CANNABIS ACTIVITIES TAX FREQUENTLY ASKED QUESTIONS

TREASURER – TAX COLLECTOR
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Pursuant to El Dorado County Ordinance Code, Title 3, Revenue & Finance, Chapter 22 Taxation of Commercial Cannabis Activities.

APPORTIONMENT OF GROSS RECEIPTS FOR CANNABIS RELATED BUSINESSES

Title 3 Chapter 22

PURPOSE

This regulation establishes apportionment procedures for taxpayers to adjust their tax base to prevent an undue burden on interstate commerce or violation of the equal protection and due process clauses of the Constitution of the United States or the State of California.

BACKGROUND

El Dorado County's Commercial Cannabis Activities Tax applies to any business engaged in commercial cannabis business activities within the unincorporated area of El Dorado County, including businesses that do not have a physical presence within the unincorporated area of El Dorado County. Businesses must pay the County's Commercial Cannabis Activities Tax on the portion of gross receipts relating to commercial cannabis business conducted with the unincorporated area of El Dorado County. The process of attributing gross receipts to business conducted within the unincorporated area of El Dorado County when a transaction crosses the unincorporated area of El Dorado County's limits is called apportionment. The Tax Collector is authorized to promulgate administrative rules and regulations related to apportionment (§3.22.190). This applies to commercial cannabis business activity that crosses the unincorporated area of El Dorado County's limits.

El Dorado County Ordinance Code §3.22 of Title 3

El Dorado County's Ordinances provides laws regarding engagement in Commercial Cannabis Business which includes and is not limited to the commencing, conducting, operating, managing or carrying on of a Cannabis Business and the exercise of corporate or franchise powers, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the unincorporated area of El Dorado County or coming into the unincorporated areas of El Dorado County from an outside location to engage in such activities. A person shall be deemed engaged in Commercial Cannabis Business if:

- Such person or person's employee maintains a fixed place of location for Commercial Cannabis Business purposes, in whole or part, within the unincorporated area of El Dorado County for the benefit or partial benefit of such person;
- Such person or person's employee owns or leases real property within the unincorporated area of El Dorado County for Commercial Cannabis Business;

- Such person or person's employee regularly maintains a stock of tangible property in the unincorporated area of El Dorado County for sale in the ordinary course of such Commercial Cannabis Business;
- Such person or person's employee regularly conducts solicitation of Commercial Cannabis Business within the unincorporated area of El Dorado County, which may be demonstrated by the use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation; or
- Such person or person's employee uses the streets within the unincorporated area of El Dorado County in connection with the operation of motor vehicles, or other methods of transportation, for Commercial Cannabis Business purposes.

The El Dorado County Cannabis Activities Tax Program is providing this information as general guidance on the County's Taxation of Commercial Cannabis Activities Ordinance. This information is provided as a public service and should not be construed or relied upon in any way as legal advice. Although we make every effort to correct any errors brought to our attention, please refer directly to the full text of the Ordinance:

https://library.municode.com/ca/el_dorado_county/codes/code_of_ordinances?nodeId=PTAGECOOR_TIT3REFI_CH3.22TACOCAAC