

A hand is shown using a silver and black calculator on a desk. There are papers and a pen nearby. The background is a dark blue with a pattern of small, light blue triangles.

Calculating Michigan Sales Tax and Marihuana Retailers Excise (MRE) Tax

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In Michigan, adult-use retail sales of cannabis products are subject to both **sales tax and excise tax**. Medical retail sales are subject to **sales tax only**.



To calculate these tax amounts, **first sales tax of 6% is added to the total retail sale amount**.

For example, if the total sale is \$120, sales tax is \$7.20. This sales tax calculation is the same as other retail sales where 6% sales tax is incurred. 6% sales tax is charged on both adult-use and medical retail cannabis sales, and general merchandise sales.



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For adult-use retail cannabis sales, **10%** excise tax, commonly known as **MRE tax**, is added to the total sales amount + the 6% sales tax already calculated.

In our example, the total sale + sales tax = \$127.20.

If this sale was for adult-use cannabis products, MRE tax is then calculated based on this total.
 $\$127.20 \times 10\% = 12.72$

The total sale amount including both sales and MRE tax in this example is \$139.92.

$120 + 7.20 + 12.72 = 139.92$



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Medical cannabis products and general merchandise sales are **not subject to the 10% MRE tax.**



Effectively, Sales Tax and MRE Tax add **16.6%** to the retail sale total for adult use product sales.



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**To learn more about how we can help your
cannabis business with its *accounting and
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