

# MARIJUANA TAX COMPLIANCE FREQUENTLY ASKED QUESTIONS

A high-level overview of frequently asked questions about complying with Oregon's tax rules for marijuana retailers.

## **Who will need a certificate of tax compliance on their License Renewal from Oregon Department of Revenue (DOR)?**

*Any individual or business that is considered an [applicant](#) for an OLCC recreational marijuana retail license. If you don't remember who was listed as an applicant on your license, [this form explains who is an applicant](#).*

## **What is a certificate of tax compliance?**

*A certificate of tax compliance is a letter from the DOR verifying that you as an individual, or your business, are in compliance with all state and local tax and fee programs administered by DOR.*

## **Will I be able to enter into a payment plan with DOR and still get the certificate of tax compliance?**

*Yes, so long as you have filed all returns and reports for all state and local tax and fee programs that you are required to pay. DOR will issue a certificate of tax compliance if you enter and maintain DOR-approved payment plan for all debt owed to DOR.*

## **What taxes will DOR look at for the certificate of tax compliance?**

*All state and local taxes are administered by DOR. Examples are: Income tax, withholding tax, marijuana point-of-sale tax, etc.*

## **How do I get a certificate of tax compliance?**

*You can request a certificate of tax compliance on DOR's website:*

*<https://revenueonline.dor.oregon.gov/tap?Link=TaxComplianceCert>*

*A hardcopy/paper version of the tax compliance form is also available:*

*[https://www.oregon.gov/dor/forms/FormsPubs/form-or-tcc\\_800-743.pdf](https://www.oregon.gov/dor/forms/FormsPubs/form-or-tcc_800-743.pdf).*

## **If I need to ask DOR questions, who do I contact?**

*[marijuanatax.dor@dor.oregon.gov](mailto:marijuanatax.dor@dor.oregon.gov)*

## **I am not a retail licensee, will I need a certificate of tax compliance?**

*No, at this time, the certificate of tax compliance is only a requirement for retailers.*

## **If I am vertically integrated, will this affect my other recreational marijuana program licenses that aren't retailers?**

*No, the certificate of tax compliance rule is only for marijuana retail licenses at this time. However, non-compliance in any business may affect your marijuana retailer license.*

### **Will this affect the licenses of other businesses of mine that aren't in the recreational marijuana program?**

*If you have an outstanding DOR tax liability on those other non-marijuana businesses, it could affect your OLCC licensing status. You will need to check with DOR if that is the case.*

### **What if I can't get a certificate of tax compliance?**

*Contact DOR at [marijuanatax.dor@dor.oregon.gov](mailto:marijuanatax.dor@dor.oregon.gov) to inquire about the actions you need to take to qualify for a certificate of tax compliance. If you, or any of your business partners do not qualify to receive a certificate of tax compliance from DOR, you will not be able to renew your license, enact a change of ownership, or add individuals or entities to a license.*

### **When does the certificate of tax compliance rule go into effect?**

***The rule will go into effect on June 16, 2023.*** It will apply to all applications for a retail license (including changes of ownership) submitted to the OLCC on or after that date, and ***will apply to all OLCC renewal applications for retail licenses that expire on or after September 15, 2023.***

### **I have 4 individuals and 3 business entities as applicants on my license, we are all in compliance except one person has not paid their income taxes for a few years, can we drop the person who is not tax compliant from our license?**

*Yes, you will be allowed to remove individuals or business entities from your license.*

### **For my renewal application, how long will I have to provide a certificate of tax compliance?**

*A renewal application will not be considered complete until a certificate of tax compliance is received by the OLCC for all individuals and entities that are considered applicants for the license. If the OLCC has not received all the required certificates by the license's expiration date, the license status will be switched to "Expired" and the retailer will lose the privileges to operate. If the retailer submits all required certificates within 30 days of the license expiration, the license will be reactivated and operate under a conditional letter of authority until the renewal application is processed. However, if the required certificates are not received within that 30-day period post-expiration, the license will be inactivated with no chance of being reactivated. A certificate of tax compliance must have been issued by DOR within 90 days of when an application is submitted.*

### **I was unable to get a certificate of tax compliance from DOR, will I get my renewal fee back?**

*You will not receive a refund on the \$250 non-refundable renewal application fee. You will receive a refund for the renewal license fee within 180 calendar days of the renewal being deemed incomplete if you are unable to renew your license due to lack of tax compliance.*

### **How will the new rules interact with the current statute relating to payment of taxes that require people to be in good standing at least two out of every four quarters?**

*The new rules complement the existing rules and statute. We expect to see better compliance with point-of-sale tax payments so licensees are able to get a certificate of compliance at renewal. However, if a licensee fails to pay the point-of-sale tax for two of the four quarters, OLCC would receive that information from DOR and possibly suspend or revoke the license.*

### **Will sales taxes be allowed to be paid with payment plans? If yes will there be any differences between sales tax payment plans and payment plans for other taxes?**

*Yes, payment plans are available for the taxes that DOR administers, including the point of sale tax that DOR administers. Retailers need to ensure that DOR administers the collection of their local (city and/or county; special district) tax before assuming that a payment plan is applicable. To learn more about payment plans and any distinctions, please visit the DOR [website](#).*

### **How will disagreements over state taxes owed to the state be handled?**

*Cannabis retail licensees will need to work with the DOR regarding disagreements over state taxes. We advise that you contact them early in the renewal process to ensure you have enough time to resolve any state tax issue. Retail renewals without completed tax certificates for the business structure on a license will be deemed an incomplete application.*

### **Will my name be made public if I owe back taxes?**

*Separate from OLCC's adoption of this rule, DOR will be posting a [delinquent taxpayer list](#) in mid-July 2023 of all individuals and business entities that owe the state more than \$50,000 and do not have a DOR-approved payment plan.*

### **Would DOR be checking if I owe property taxes?**

*No. DOR does not administer property taxes for any Oregon county.*

### **Is tax compliance limited only to Oregon state taxes?**

*DOR evaluates compliance with state and local taxes it administers. Federal taxes, or taxes from other states, are not evaluated by DOR.*

### **What will the retailers have to do proactively to get the certificate or letter of good standing? How much of this process will be automated between the OLCC and DOR and how much will require folks to take proactive steps. What will those proactive steps be?**

*Retailers should reach out to DOR for the certificate of tax compliance prior to the expiration of their license. OLCC will contact retailers that have not renewed two weeks prior to their license expiring. Inspectors will either make phone calls or visit the licensed premises to discuss the importance with the licensees and provide the licensee feedback to the licensing department.*

### **I am an attorney requesting certificates of compliance for my clients, do my clients need to fill out a form so DOR will release the information to me?**

*Yes, they need to fill out the [Tax Information Authorization and Power of Attorney for Representation Form](#) so you can receive tax information on their behalf.*

### **My business does not have a Business Identification Number (BIN), it is a required field on the on-line form. How will I be able to move forward and request a certificate?**

*You can fill out the paper form and leave the sections blank that do not apply to you. The paper form can be found here: [https://www.oregon.gov/dor/forms/FormsPubs/form-or-tcc\\_800-743.pdf](https://www.oregon.gov/dor/forms/FormsPubs/form-or-tcc_800-743.pdf)*

### **Does DOR send OLCC the completed certificate?**

*No, the certificate is mailed to the address provided by the applicant if they made the request using Revenue Online. If using the paper form it would be returned to the applicant via email/fax/mail, depending on how it was received by the department.*

### **I have a business partner who is considered an applicant, but does not live or work in Oregon, how to they apply for a certificate of compliance?**

*You can request a certificate of tax compliance on DOR's website:*

*<https://revenueonline.dor.oregon.gov/tap?Link=TaxComplianceCert>*

*A hardcopy/paper version of the tax compliance form is also available:*

*[https://www.oregon.gov/dor/forms/FormsPubs/form-or-tcc\\_800-743.pdf](https://www.oregon.gov/dor/forms/FormsPubs/form-or-tcc_800-743.pdf).*

## How do I submit my DOR Certificate of Tax Compliance?

- New Applications & Change of Ownerships
  - Upload your DOR Certificate(s) of Tax Compliance as part of your license application in the online licensing system or by submitting them to your assigned license investigator once your application has been assigned.
- Changes in Business Structure
  - Provide copies of your DOR Certificate(s) of Tax Compliance with your documents you submit for your change in business structure or by providing them to your assigned license investigator once your change in business structure has been assigned.
- Renewals
  - As part of your online renewal application, you can upload copies of DOR Certificate(s) of Tax Compliance as a PDF labeled "DOR Certificate of Tax Compliance" and use the "Renewal Application" document button to upload.
  - You may submit a renewal application without all required certificates. This may be done to avoid a late filing fee. OLCC staff will reach out to collect any remaining required certificates. Your renewal application will be considered incomplete until all required certificates are received.
  - If you have already submitted your renewal application you can email them to [marijuana.licensing@oregon.gov](mailto:marijuana.licensing@oregon.gov); in the subject line and body of your email, include the **license number** and **licensee of record** (the business name that appears on your posted licensed certificate).

## CHANGES OF OWNERSHIP AND CHANGES OF BUSINESS STRUCTURE:

### **I was planning to change my ownership structure today, will the new individual or business need a certificate of tax compliance?**

Yes, any change of ownership more than 51% submitted on or after June 16, 2023 will require both the existing licensees and the new individual(s) or entity to provide the OLCC with a certificate of tax compliance.

### **I applied for a change of ownership on May 30, 2023, it has not been approved yet, do the new individuals or businesses need a certificate of tax compliance?**

No, **the requirement will only apply** to change of ownership applications submitted **on or after June 16, 2023**. However, once the change of ownership is approved, a certificate of tax compliance would be required each year in order to renew the license.

### **I am not changing my ownership structure, but do need to add a new person to my license, they will only have 20% ownership. Do they need a certificate of tax compliance?**

Yes, adding new individuals to your business structure will require them to submit a certificate of tax compliance.

### **Need more help?**

Please contact Oregon Department of Revenue: [marijuanatax.dor@dor.oregon.gov](mailto:marijuanatax.dor@dor.oregon.gov) or Oregon Liquor & Cannabis Commission: [marijuana@oregon.gov](mailto:marijuana@oregon.gov)