

## AGENCY REPORT TO THE JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)

Under the Administrative Procedures Act (APA), 1969 PA 306, the agency that has the statutory authority to promulgate the rules must complete and submit this form electronically to the Michigan Office of Administrative Hearings and Rules (MOAHR) at [MOAHR-Rules@michigan.gov](mailto:MOAHR-Rules@michigan.gov).

**1. Agency Information:**

Agency name:	Treasury	
Division/Bureau/Office:	Bureau of Tax Policy	
Name, title, phone number, and e-mail of person completing this form:	Margaret Patterson Administrative Law Specialist (517) 335-7478 Treas_Tax_Policy@michigan.gov	
Name of Departmental Regulatory Affairs Officer reviewing this form:	Margaret Patterson	

**2. Rule Set Information:**

MOAHR assigned rule set number:	2019-051 TY
Title of proposed rule set:	General Sales and Use Tax Rules

**3. Purpose for the proposed rules and background:**

<p>On November 6, 2018, Michigan voters approved a ballot initiative legalizing the recreational use and possession of marihuana for adults 21 years of age and older and enacting an excise tax on retail marihuana sales. The resulting legislation is the Michigan Regulation and Taxation of Marihuana Act (MRTMA). The 10% excise tax is levied in addition to any other applicable state taxes, including the existing 6% sales tax and, will be administered by Treasury.</p>
--

**4. Summary of proposed rules:**

<p>The addition of 1 new rule to the General Sales and Use Tax Rules clarifies that the taxable “sales price” of marihuana includes the 10% excise tax levied under section 13(1) of the MRTMA, 2018 IL 1, MCL 333.27963(1). The new rule confirms that retail sales of recreational and medical marihuana are not exempt from taxation under the General Sales Tax Act, MCL 205.51 to 205.78, and the Use Tax Act, MCL 205.91 to 205.111, as food or prescription drugs.</p>
---

**5. List names of newspapers in which the notice of public hearing was published and publication dates (attach copies of affidavits from each newspaper as proof of publication).**

<p>Grand Rapids Press-September 11, 2019, Mining Journal-September 11, 2019, Oakland Press-September 11, 2019.</p>
--

**6. Date of publication of rules and notice of public hearing in *Michigan Register*:**

<p>September 15, 2019</p>
---------------------------

**7. Time, date, location, and duration of public hearing:**

<p>September 25, 2019-1:30 p.m. to 3:30 p.m. State Treasurer’s Board Room, First Floor Richard H. Austin Building, 430 West Allegan Street, Lansing, MI 48922</p>
---

**8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:**

<http://www.michigan.gov/moahr>

**9. List of the name and title of agency representative(s) attending public hearing:**

David Matelski, Administrative Law Specialist, Barbara Oyer, Administrative Law Specialist

**10. Persons submitting comments of support:**

No persons attended the public hearing to provide comments. No persons submitted any written comments.

**11. Persons submitting comments of opposition:**

No persons attended the public hearing to provide comments. No persons submitted any written comments.

**Michigan Office of Administrative Hearings and Rules**  
611 West Ottawa Street; 2nd Floor, Ottawa Building  
Lansing, MI 48933  
Phone: (517) 335-8658 FAX: (517) 335-9512

**12. Identify any changes made to the proposed rules based on comments received during the public comment period:**

	<b>Name &amp; Organization</b>	<b>Comments Made at Public Hearing</b>	<b>Written Comments</b>	<b>Agency Rationale for Change</b>	<b>Rule Number &amp; Citation Changed</b>
<b>1.</b>					
<b>2.</b>					
<b>3.</b>					
<b>4.</b>					

**13. Date report completed:**

October 8, 2019.
------------------