

**MICHIGAN DEPARTMENT OF TREASURY**

**STATE TREASURER**

**NOTICE OF PUBLIC HEARING**

**ADMINISTRATIVE RULES 2019-052 TY  
TAXATION OF ADULT-USE (RECREATIONAL) MARIHUANA RULES**

**ADMINISTRATIVE RULES 2019-051 TY  
GENERAL SALES AND USE TAX RULES  
SPECIFIC SALES AND USE TAX RULES**

The Michigan Department of Treasury Bureau of Tax Policy will hold a public hearing at the following time and place to receive comments by interested persons on 3 proposed new rules that implement the excise tax on marihuana retailers and marihuana microbusinesses and clarify 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.

Date: September 25, 2019  
Time: 1:30 p.m. – 3:30 p.m.  
Location: State Treasurer’s Board Room, First Floor  
Richard H. Austin Building  
430 West Allegan Street  
Lansing, Michigan 48922

Interested parties may also submit written comments on the rules to the Department of Treasury, Bureau of Tax Policy, Tax Policy Division, Attn: David Matelski, 430 West Allegan St., Lansing, Michigan 48922, or by facsimile to 517-241-4267, or electronically to [Treas\\_Tax\\_Policy@michigan.gov](mailto:Treas_Tax_Policy@michigan.gov) by no later than 5:00 p.m. on September 25, 2019.

The Michigan Regulation and Taxation of Marihuana Act (MRTMA) directs that the excise tax is imposed at the rate of 10 percent of the sales price for marihuana sold. MCL 333.27963(1). The MRTMA also directs that a product subject to the excise tax may not be bundled in a single transaction with a product or service that is not subject to the excise tax. MCL 333.27963(2). One of the new Taxation of Adult-Use (Recreational) Marihuana Rules defines “sales price” and the other defines “bundled transaction” and clarifies the tax result of a bundled transaction.

The new General and Specific Sales and Use Tax Rule clarifies that the excise tax is levied in addition to the sales tax and that retail sales of recreational and medical marihuana are not exempt from taxation as food or prescription drugs.

The Taxation of Adult-Use (Recreational) Marihuana Rules are promulgated by authority conferred on the Department of Treasury by section 3 of 1941 PA 122, MCL 205.3, and by section 13 of the MRTMA, 2018 IL 1, MCL 333.27963(3). The General and Specific Sales and Use Tax Rule is promulgated by authority conferred on the Department of Treasury by section 3 of 1941 PA 122, MCL 205.3. These rules will take effect immediately upon filing with the Secretary of State.

The rules are published on the Michigan Government website at <http://www.michigan.gov/moahr> and will be in the September 15, 2019 issue of the Michigan Register. Copies of the draft rules may also be obtained by mail or electronic request at the addresses above.

Persons with disabilities requiring accommodation for effective participation in the hearing should telephone Debbie Lange at 517-335-7478 at least one week before the hearing.