Adopting Local Option Excise on the retail sale of adult use marijuana
GL Chapter 64N

How does a municipality adopt the local option excise on the retail sale of adult use marijuana?
Acceptance is by a majority vote of the municipal legislative body, subject to local charter.

To adopt this excise the following or similar language may be used:

VOTED: That the city/town of _____ accept G.L. c. 64N, § 3 to impose an excise on the retail sales of marijuana for adult use at a rate of _____ percent.

The following or similar language may be used to amend the local rate:

VOTED: That the city/town of _____ amend its local sales of marijuana for adult use excise rate under G.L. c. 64N, § 3 at a rate of _____ percent.

Local excise was accepted by majority vote. What's the next step?
Within 48 hours of the acceptance the city or town clerk must notify DLS by submitting the form "Notification of Acceptance, Revocation or Amendment of Excise Rate – Local Excise on Retail Sales of Marijuana." Email the Notification of Acceptance form to: databank@dor.state.ma.us.

Is there a limitation on the rate we can adopt?
A municipality can choose to impose a rate up to 3%.

Can the adopted rate be amended?
Yes. A municipality accepting an excise rate can choose to amend that rate or even revoke it, but changes to the adopted rate can only happen once a year.

How will the excise be collected from a local establishment?
DOR will collect the additional tax at the same time it collects the state taxes and excise on the retail sales of recreational marijuana.

When will DOR start collecting the excise?
The effective date is dependent on two things:

1. The wording of the article approved by the legislative body
2. The date DLS is notified of the adoption

Notification deadlines:

FY Quarter	Quarter Start Date	Notify DLS by:
Quarter 1	July 1st	May 31st
Quarter 2	October 1st	August 31st
Quarter 3	January 1st	December 1st
Quarter 4	April 1st	March 1st

For example, if a municipality votes on May 24th to adopt the local option excise effective July 1st the notification of acceptance must be received by DLS no later than May 31st. Delays in notifying DLS timely will push the effective date to the next quarter. Using the same example: if a municipality votes on May 24th to adopt the local option excise effective July 1st but DLS is notified on June 5th, the effective date would be October 1st.

When will we receive the local option excise collected?

DLS issues these payments quarterly. Quarterly payments are based on the taxes collected by DOR in the previous three months. For example, the September 30th local option excise distribution will be based on excise revenues received by DOR in June, July and August.

Can I request a list of all establishments in my community that are registered with DOR as "adult use marijuana retail?"
DLS can usually provide local officials with a list of registrations in their municipality. If the number of local establishments is small, however, DOR taxpayer confidentiality policies may keep us from releasing the data. You may email your request to databank@dor.state.ma.us.

Can we request the amount of tax collected from a specific establishment?
Unfortunately, we can't provide that detail due to DOR policy on taxpayer confidentiality.

Additional guidance can be found in this document: Bulletin 2018-3 New Local Excise on Retail Sales of Marijuana for Adult Use.