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NEWS RELEASE

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Nevada Department of Taxation prepares for the regulation of recreational marijuana

CARSON CITY – With voters approving the legalization of recreational marijuana on ballot question 2 in Tuesday night’s election, the Nevada Department of Taxation begins developing regulations.

The new law assigns responsibility to the department for establishing licensing qualifications and procedures, as well the regulation of marijuana establishments like cultivation facilities, distributors, and retailers. The department will administer the 15 percent excise tax on wholesale sales imposed by the measure. State and local sales tax, administered by the department, will also apply to recreational marijuana.

The measure is effective as of January 1, 2017, and the department has one year after the effective date to have regulations in place and begin accepting applications for establishments.

“The Department is already working to develop temporary regulations,” said Deonne Contine, the agency’s executive director. “We intend to hold a public workshop very early in 2017 and then have our temporary regulations adopted so we can begin issuing licenses.”

The temporary regulations allow the department to begin issuing licenses while they complete the lengthier process of developing permanent regulations, which ultimately need to be reviewed by the Legislative Counsel Bureau.

“With the medical marijuana program in place in Nevada since 2014, we have expertise in the state on how to establish and carry out the regulations,” said Contine. “We’ve also consulted with the industry in Nevada and looked closely at the regulation model in Colorado. We have a good foundation to do this right.”

The department is working with the Governor’s office on an executive order to develop a task force to provide guidance on issues related to the passage of question 2 and will begin working on permanent regulations in the spring of 2017. During the regulation process, the department will hold public workshops where citizens can provide comments.

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