

**LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR**

**Frequently Asked Questions (FAQs) About  
Cannabis Business Tax (CBT) in Los Angeles County**

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## DEFINITIONS

### 1. What is “Cannabis Business Tax”?

“Cannabis Business Tax” or “CBT” is authorized under Title 4 of the Los Angeles County Code (Code) Chapter 4.71 - Cannabis Business Tax (CBT). Under the Code, each Person engaged in Business as a Cannabis Business in the unincorporated areas of Los Angeles County (County) is required to collect and remit CBT at specified rates, based on the type of Cannabis Business.

The following is the current rate schedule for CBT ([Code Section 4.71.070 Tax Imposed](#)):

<b>Business Type</b>	<b>CBT Rate</b>
Cultivation - Artificial Lighting only	\$7 per sq ft of Canopy Space (annual)
Cultivation - Natural & Artificial Lighting	\$4 per sq ft of Canopy Space (annual)
Cultivation - No Artificial Lighting	\$4 per sq ft of Canopy Space (annual)
Cultivation - Nursery	\$2 per sq ft of Canopy Space (annual)
Retail	4% of Gross Receipts
Manufacturing or Processing	3% of Gross Receipts
Distribution	3% of Gross Receipts
Testing Laboratory	1% of Gross Receipts
Other Type of Cannabis Business	4% of Gross Receipts

### 2. What is the definition of "Cannabis"?

"Cannabis" is defined as all parts of the plant cannabis sativa linnaeus, cannabis indica, or cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin; and separated resin, whether crude or purified, obtained from cannabis. Cannabis does not include Industrial Hemp, unless otherwise specified. ([Code Section 4.71.040 D Definitions](#))

### 3. What is the definition of a "Cannabis Business"?

"Cannabis Business" means any Business requiring Commercial Cannabis Permit, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, transporting, delivering, testing, dispensing, retailing, or any other Business requiring a Commercial Cannabis Permit, and wholesaling of Cannabis, Cannabis Products, or of ancillary products and accessories, whether or not carried on for gain or profit. ([Code Section 4.71.040 E Definitions](#))

#### 4. What is the definition of “Canopy Space”?

“Canopy Space” means any areas occupied by any portion of a Cannabis plant, whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants), each plane must be counted as a separate canopy area. ([Code Section 4.71.040 H Definitions](#))

### REGISTERING FOR A CBT CERTIFICATE

#### 5. Is a Cannabis Business required to register to remit CBT to the Treasurer and Tax Collector (TTC)?

Yes. Any Person who engages in Business as a Cannabis Business must submit a [Cannabis Business Tax Registration Application](#) to the TTC within 30 days after commencing operation. ([Code Section 4.71.080 Tax Registration](#))

### COLLECTING CBT

#### 6. Do Cannabis Businesses need to collect and remit both County and city CBT?

The County’s CBT applies only to Cannabis Businesses located within the unincorporated areas of the County. Cities may have their own CBT ordinance and rates. If the Cannabis Business is not located in the unincorporated area of the County, the Cannabis Business should consult with the finance office of the city in which the Cannabis Business is located. For information on determining the local government jurisdiction, please see instructions [here](#).

### REMITTING CBT

#### 7. When is payment of the CBT due from the Cannabis Business to the TTC?

Payment is due on or before the last day of each calendar month for the prior month's collection of CBT. ([Code Section 4.71.090 Payment and Tax Statement Required Monthly](#))

#### 8. Does a Cannabis Business need to make an appointment in order to pay CBT in person?

Yes, every Person who owes CBT that wants to pay in person must first make an appointment with the TTC’s CBT Unit to do so. To make an appointment, please contact the CBT Unit at [cbt@ttc.lacounty.gov](mailto:cbt@ttc.lacounty.gov).

**9. If the Cannabis Business is writing a check, who do they make it payable to?**

Please make checks payable to the “Los Angeles County Treasurer and Tax Collector.”

**10. Is there anything a Cannabis Business needs to include with their CBT payment?**

Yes. Every Person who owes CBT must include a completed [CBT Monthly Computation Form](#) (Computation Form) with the associated payment. One Computation Form is required per each type of Cannabis Business that Person is operating. ([Code Section 4.71.090 Payment and Tax Statement Required Monthly](#))

**11. What if my Canopy Space changes throughout the year? How do I report the Canopy Space in my Computation Form?**

When there is a change in the Canopy Space, the Person should accurately measure, calculate and report the new square footage in the Computation Form for the month in which the change occurred.

**12. Where do Cannabis Businesses mail their CBT payment and Computation Form?**

Every Person who owes CBT should mail their CBT payment and Computation Form to:

Los Angeles County Treasurer and Tax Collector  
P.O. Box 512410  
Los Angeles, CA 90051

**13. May Cannabis Businesses send CBT payments by a courier for overnight delivery?**

Yes, but if the courier service does not deliver to a United States Postal Service Post Office Box, the Person should send their CBT payment and Computation Form to:

Los Angeles County Treasurer and Tax Collector  
Cannabis Business Tax Unit  
c/o Mailroom (Room 137B)  
500 West Temple Street  
Los Angeles, CA 90012-2713

**14. May Cannabis Businesses make payments by Automated Clearing House (ACH)?**

Yes. The TTC allows every Person who owes CBT to pay by ACH. For further information, please contact the CBT Unit at [cbt@ttc.lacounty.gov](mailto:cbt@ttc.lacounty.gov).

**15. What happens if a Cannabis Business pays late, does not pay, or does not provide sufficient payment?**

- Any Person who fails to remit the CBT within the time required must pay a penalty of 10% of the amount of the unpaid CBT, in addition to the amount of the CBT owed. ([Code Section 4.71.130 Payment – Penalties and Interest for Delinquency](#))
- If the payment remains delinquent one (1) calendar month beyond the date on which the CBT first became due, the amount of the unpaid CBT is subject to a second penalty of 10%, in addition to the amount of the CBT owed and the first 10% penalty. ([Code Section 4.71.130 Payment – Penalties and Interest for Delinquency](#))
- In addition to the penalties imposed, delinquent CBT is subject to interest at the rate of 1.5% per month on the amount of the unpaid CBT, exclusive of penalties, from the date on which the CBT first became delinquent until the balance is paid in full. ([Code Section 4.71.130 Payment – Penalties and Interest for Delinquency](#))

## EXEMPTIONS

**16. Are there any exemptions from CBT?**

Personal cultivation and personal use of Cannabis that meets the definition of “personal use” or equivalent terminology under State law, that is exempted from State licensing requirements, and the individual receives no compensation whatsoever, is exempt from the CBT. ([Code Section 4.71.170 Exemption – Personal Cultivation and Use](#))

## RECORDKEEPING

**17. What are some of the general CBT recordkeeping and compliance requirements as it relates to inspections and audits?**

Any Person engaged in a Cannabis Business who is liable for collecting and remitting the CBT to the TTC is required to keep and preserve all records necessary to determine the amount of tax due and remitted. Every Person liable for collecting and remitting the CBT must keep such records for at least four (4) years. The TTC has the right to inspect the records maintained by the Person at any reasonable time. ([Code Section 4.71.220, Audit and Examination of Premises and](#)

[Records](#))

## REFUNDS

### **18. How can a Cannabis Business request a refund of the CBT previously paid to the TTC?**

A claimant who paid the CBT can request a refund of CBT that has been overpaid, paid more than once, or erroneously collected or received. To do so, the claimant must complete and submit a CBT Refund Claim Form to the TTC within three (3) years of the date the CBT was originally due. No refund of the CBT will be made because of the discontinuation, dissolution, or other termination of a Cannabis Business. ([Code Section 4.71.150, Refunds - Procedures](#))

If the TTC approves the refund, the claimant will be able to apply the refund as credit to subsequent CBT remittances to the TTC. ([Code Section 4.71.160, Refunds - Credits](#))

## CANNABIS BUSINESS PERMITTING

### **19. Who do I contact for questions about the Cannabis Business Permitting requirements?**

For Cannabis Business Permitting inquiries, you may contact:

Office of Cannabis Management

E-mail: [cannabis@lacounty.gov](mailto:cannabis@lacounty.gov).

Business Hours: Monday-Friday, 8:00 a.m. to 4:00 p.m. PT

<https://dcba.lacounty.gov/cannabis/>

## CBT UNIT CONTACT INFORMATION

If you have further questions or need additional assistance regarding CBT, you may contact:

TTC Cannabis Business Tax Unit

Phone: (213) 893-7984

E-mail: [cbt@ttc.lacounty.gov](mailto:cbt@ttc.lacounty.gov)

Business Hours: Monday-Friday, 8:00 a.m. to 4:00 p.m. PT