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City of Plainfield, NJ / Municipal Code

Chapter 20

Cannabis Transfer Tax and User Tax

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Article 1

General Provisions

§ 20:1-1 Imposition of tax. Article 1 General Provisions

§ 20:1-1 Imposition of tax. [8-16-2021 by Ord. No. MC 2021-25]

A. The cannabis transfer tax in Plainfield shall be fixed at a uniform percentage rate of 2% on all sales or transfers of cannabis products from any of the cannabis establishments that are located within the geographical boundaries of the City of Plainfield. This tax shall be imposed on:

- 1. Receipts from the sale of cannabis by a cannabis cultivator to another cannabis cultivator;**
- 2. Receipts from the sale of cannabis items from one cannabis establishment to another cannabis establishment;**

3. Receipts from the retail sales of cannabis items by a cannabis retailer to retail consumers who are 21 years of age or older; or

4. Any combination thereof.

B. A 1% transfer tax shall be collected from receipts from each sale by a cannabis wholesaler located within the geographical boundaries of the City of Plainfield.

C. A user tax is hereby also established at the same rate 2% of the transfer tax contained herein and shall be imposed on the value of each transfer or use of cannabis or cannabis items not otherwise subject to the transfer tax imposed pursuant to P.L. 2021, c. 16, from the license holder's establishment that is located in the City of Plainfield to any of the other license holder's establishments, whether located in the City of Plainfield or another municipality.

D. The transfer tax or user tax imposed by this chapter shall be in addition to any other tax imposed by law. Any transaction for which the transfer tax or user tax is imposed, or could be imposed, pursuant to this section, other than those which generate receipts from the retail sales by cannabis retailers, shall be exempt from the tax imposed under the "Sales and Use Tax Act" (**N.J.S.A. 54:32B-1 et seq**). **The transfer tax or user tax will be assessed and collected pursuant** to established state law and administrative rules and regulations regarding same.

E. Within ninety (90) days after the close of each fiscal year, all cannabis establishments located within the City shall submit to the City Tax Collector an Auditor's Report for the preceding fiscal year. The Auditor's Report shall be a complete financial statement outlining the financial status of the cannabis establishment. The Report shall clearly identify all sales, transfers and uses of cannabis or cannabis items that is subject to the imposition of tax pursuant to this Section 20:1-1. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey. [Added 5-9-2022 by Ord. No. MC 2022-18]