

Form CD-1 General Information

What is the Sales and Use Tax due on cannabis?

The Sales and Use Tax due on cannabis is tax that you (a cannabis dispensary) must collect and remit for all retail sales of medical cannabis and adult use cannabis.

This tax is a combination of state and any locally imposed sales and use taxes that Illinois law requires to be collected on all retail sales, including sales of cannabis (see, e.g., 35 ILCS 120/2-10, 65 ILCS 5/8-11-1, and 65 ILCS 5/8-11-1.3) as well as cannabis-specific locally imposed sales taxes (see 55 ILCS 5/5-1006.8 and 65 ILCS 5/8-11-22).

What is the Cannabis Purchaser Excise Tax?

The Cannabis Purchaser Excise Tax is a tax imposed on the privilege of using cannabis, cannabis concentrate, and cannabis infused products. Cannabis dispensaries must collect and remit this tax on all retail sales of adult use cannabis.

The Cannabis Purchaser Excise Tax is authorized by the Cannabis Purchaser Excise Tax Law (410 ILCS 705/65-1 et seq.).

Who must file Form CD-1?

You must file Form CD-1, Cannabis Dispensary Tax Return, if you are licensed to make retail sales of cannabis.

Note: In addition to reporting your receipts from cannabis sales on Form CD-1, dispensaries are also required to report their total receipts of cannabis and non-cannabis products sold on Form ST-1, Sales and Use Tax and E911 Surcharge Return. Receipts from cannabis sales should be taken as a deduction on Schedule A of Form ST-1.

Who must file Schedule CD-2?

Multiple site businesses must file Schedule CD-2, Sales and Use Tax Multiple Site Form for Cannabis Dispensaries, to calculate the Sales and Use Tax due on sales of adult use and medical cannabis from each dispensing site for your business during the filing period. Submit Schedule CD-2 when you file Form CD-1.

Who must file Schedule CD-3?

Multiple site businesses must file Schedule CD-3, Cannabis Purchaser Excise Tax Multiple Site Form for Cannabis Dispensaries, to report sales of adult use cannabis subject to Cannabis Purchaser Excise Tax from each dispensing site for your business during the filing period. Submit Schedule CD-3 when you file Form CD-1.

If I only sell medical cannabis, do I file Form CD-1?

Yes, dispensaries that only sell medical cannabis must fill out Form CD-1 to report receipts from medical cannabis sold. Dispensaries that sell only medical cannabis will skip Step 2 when completing their Form CD-1.

In addition to reporting your receipts from medical cannabis sales on Form CD-1, dispensaries are also required to report their total receipts of cannabis and non-cannabis products sold on Form ST-1, Sales and Use Tax and E911 Surcharge Return. Receipts from medical cannabis sales should be taken as a deduction on Schedule A of Form ST-1.

When must I file Form CD-1?

You must file this return, along with any payment you owe, on or before the 20th day of the month following the end of the reporting period.

Note: If the due date falls on a weekend or holiday, your return and payment are due the next business day.

Can I file Form CD-1 and pay the tax due electronically?

Illinois law requires Form CD-1 to be filed electronically and the tax to be paid electronically. You must use MyTax Illinois at mytax.illinois.gov to file your Form CD-1 and pay any tax due. To request a waiver of the electronic payment mandate, complete Form IL-900-EW, Electronic Waiver Request, which is available from the Illinois Department of Revenue by request at **217 782-7897**, **1 800 732-8866**, or **217 782-3336**. If granted and unless renewed, this waiver shall not exceed two years.

What if I fail to file or pay the amount I owe?

You owe a **late-filing penalty** if you do not file a processable return by the due date, a **late-payment penalty** if you do not pay the amount you owe by the payment's due date, a **bad check penalty** if your remittance is not honored by your financial institution, and a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on a bill. Interest is calculated on tax from the day the payment was due through the date you pay the liability. We will bill you for penalty and interest. For more information, see Publication 103, Penalty and Interest for Illinois Taxes, which is available on our website at tax.illinois.gov.

In addition, you will not be entitled to any discounts. See 35 ILCS 120/3 and 410 ILCS 705/65-30 for more information.

What if I need help?

Visit our website at tax.illinois.gov, or call us weekdays between 8:00 a.m. and 4:00 p.m. at **217 782-6045**.

Specific Instructions

When completing this form, please round to the nearest dollar by dropping amounts of less than 50 cents and increasing amounts of 50 cents or more to the next dollar.

For multiple site businesses, use Schedule CD-2, Sales and Use Tax Multiple Site Form for Cannabis Dispensaries, to calculate the Sales and Use Tax due on sales of adult use and medical cannabis from each dispensing site for your business during the filing period. You will need to complete Schedule CD-2 before completing Form CD-1. See Schedule CD-2 instructions. Submit Schedule CD-2 when you file Form CD-1.

For multiple site businesses, use Schedule CD-3, Cannabis Purchaser Excise Tax Multiple Site Form for Cannabis Dispensaries, to report sales of adult use cannabis subject to Cannabis Purchaser Excise Tax from each dispensing site for your business during the filing period. You will need to complete Schedule CD-3 before completing Form CD-1. See Schedule CD-3 instructions. Submit Schedule CD-3 when you file Form CD-1.

Step 1: Figure your Sales and Use Tax due on Cannabis

Part 1 - Figure your Sales and Use Tax taxable receipts

Note: For each line in Part 1, include amounts from all sites, if applicable.

Line 1 - Enter the total receipts from cannabis sold at retail before any deductions. Include both adult use cannabis and medical cannabis.

Line 2a - Enter the amount you refunded for returned cannabis products.

Line 2b - Enter the amount you collected from cannabis products you sold to someone who will resell the cannabis at retail. For each sale for resale you make, the buyer must give you an Illinois certificate of resale or have a blanket certificate of resale on file with you.

Line 2c - Enter the amount of taxes collected from sales of cannabis. Include all Sales and Use Tax and Cannabis Purchaser Excise Tax that you collected.

Line 2d - Describe any other deductions that you are claiming and enter the amount you are deducting.

Line 2 - Add Lines 2a, 2b, 2c and 2d. This is your total deductions from cannabis sold.

Line 3 - Subtract Line 2 from Line 1. This is your taxable receipts from cannabis sold.

Part 2 - Figure your Sales and Use Tax due on cannabis

Line 4a - Enter the total taxable receipts from adult use cannabis sold. This amount should reflect any deductions taken. For multiple site businesses, this amount should be the sum of Line 4a totals on all Schedules CD-2. (See CD-2 instructions for more information).

Line 4 - Multiply Line 4a by the correct tax rate. For multiple site businesses, this amount should be the sum of Line 4 totals on all Schedules CD-2. (See CD-2 instructions for more information).

Line 5a - Enter the total taxable receipts from medical cannabis sold. This amount should reflect any deductions taken. For multiple site businesses, this amount should be the sum of Line 5a totals on all Schedules CD-2. (See CD-2 instructions for more information).

Line 5 - Multiply Line 5a by the correct tax rate. For multiple site businesses, this amount should be the sum of Line 5 totals on all Schedules CD-2. (See CD-2 instructions for more information).

Note: The sum of Lines 4a and 5a should equal the amount on Line 3.

Line 6 - Add Lines 4 and 5. This is your Sales and Use Tax due on receipts.

Line 7 - If you file your return and pay the amount due by the due date, you are entitled to a discount. Multiply Line 6 by 1.75 percent (.0175) only if you file your return and pay the amount due by the due date. Otherwise, enter '0'.

Line 8 - Subtract Line 7 from Line 6. This is your net Sales and Use Tax due on receipts.

Step 2: Figure your Cannabis Purchaser Excise Tax

Note: Do not include medical cannabis sales.

Part 1 - Figure your Cannabis Purchaser Excise Tax taxable receipts

Note: For each line in Part 1, include amounts from all sites, if applicable.

Line 9 - Enter the total receipts from adult use cannabis sold at retail before any deductions. Do not include medical cannabis.

Line 10a - Enter the amount you refunded for returned adult use cannabis products.

Line 10b - Enter the amount you collected from adult use cannabis products you sold to someone who will resell the cannabis at retail. For each sale for resale you make, the buyer must give you an Illinois certificate of resale or have a blanket certificate of resale on file with you.

Line 10c - Enter the amount of taxes collected from sales of adult use cannabis. Include all Sales and Use Tax and Cannabis Purchaser Excise Tax that you collected.

Line 10d - Describe any other deductions that you are claiming and enter the amount you are deducting.

Line 10 - Add Lines 10a, 10b, 10c and 10d. This is your total deductions from adult use cannabis sold.

Line 11 - Subtract Line 10 from Line 9. This is your taxable receipts from adult use cannabis sold.

Part 2 - Cannabis Purchaser Excise Tax due on adult use cannabis

Line 12a - Enter the total taxable receipts from adult use cannabis sold with 35 percent THC or less. This amount should reflect any deductions taken. For multiple site businesses, this amount should be the sum of Line 12a totals on all Schedules CD-3. (See CD-3 instructions for more information).

Line 12 - Multiply Line 12a by 10 percent (.10).

Line 13a - Enter the total taxable receipts from adult use cannabis sold with greater than 35 percent THC. This amount should reflect any deductions taken. For multiple site businesses, this amount should be the sum of Line 13a totals on all Schedules CD-3. (See CD-3 instructions for more information).

Line 13 - Multiply Line 13a by 25 percent (.25).

Line 14a - Enter the total taxable receipts from adult use cannabis infused products sold. This amount should reflect any deductions taken. For multiple site businesses, this amount should be the sum of Line 14a totals on all Schedules CD-3. (See CD-3 instructions for more information).

Line 14 - Multiply Line 14a by 20 percent (.20).

Note: The sum of Lines 12a, 13a and 14a should equal the amount on Line 11.

Line 15 - Add Lines 12, 13 and 14. This is your Cannabis Purchaser Excise Tax due.

Line 16 - If you file your return and pay the amount due by the due date, you are entitled to a discount. Enter the lesser of the product of Line 15 multiplied by 1.75 percent (.0175) or \$1,000.00, only if you file your return and pay the amount due by the due date. Otherwise, enter '0'.

Note: The discount is only valid for electronically filed returns and electronic payments, unless a payment waiver is in place.

Line 17 - Subtract Line 16 from Line 15. This is your net Cannabis Purchaser Excise Tax due.

Step 3: Figure your total tax and payment due.

Line 18 - Add Lines 8 and 17. This is your combined tax due.

Line 19 - Enter the sum of all quarter-monthly (accelerated) payments that were made for any quarter-month that falls in the filing period of this return.

Line 20 - Subtract Line 19 from Line 18. This is your tax due after quarter-monthly payments.

Line 21 - If you collected more Sales and Use Tax than is due, enter the amount of excess Sales and Use Tax that was collected.

Line 22 - If you collected more Cannabis Purchase Excise Tax than is due, enter the amount of excess Cannabis Purchase Excise Tax that was collected.

Line 23 - Add Lines 20, 21 and 22. This is your total tax due.

Line 24 - If you have a credit memorandum or prior overpayment and you wish to use it toward what you owe, enter the amount you are using.

Line 25 - Subtract Line 24 from Line 23. This is your total payment due. We will bill you for any penalty and interest amounts owed. See Publication 103, Penalties and Interest for Illinois Taxes, for more information.