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## Schedule MC-2 General Information

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### Who must file Schedule MC-2?

If you are a medical cannabis cultivation center and you sell medical cannabis, you must report your sales from each cultivation center separately. You must complete and attach Schedule MC-2, Medical Cannabis Sales, to your Form MC-1, Medical Cannabis Cultivation Privilege Tax Return, to show the breakdown of sales from each cultivation center.

### How do I report my sales?

Follow the specific instructions on the following page to report your sales. You must identify and report sales from each cultivation center separately.

### What sales are subject to the medical cannabis cultivation privilege tax?

Tax is due on medical cannabis sold by a cultivation center. Medical cannabis includes both bulk medical cannabis and medical cannabis infused products.

**Bulk medical cannabis** is dried cannabis

- in its physical form to smoke;
- in its physical form to vaporize; and
- not infused or combined with another product for medicinal use.

**Medical cannabis infused product** is a product containing cannabis or a cannabis concentrate, including

- capsules;
- food and beverage products prepared for consumption;
- cooking oils;
- tinctures or tonics, such as sprays or drops;
- topicals, such as ointments, balms, oils, lotions, gels, or patches;
- bath salts or oils;
- aromatherapy sprays or essences;
- concentrates, extractions, oils, or wax for use with a vaporizer; and
- hash and concentrates, including ice wax, bubble hash, oil, wax, budder, pie crust, taffy, shatter, nectar, caviar, and kief.

See 86 Illinois Administrative Code Part 429 for more information about medical cannabis products.

### How do I calculate the medical cannabis cultivation privilege tax?

Tax is calculated at a rate of 7 percent (.07) of the sales price per ounce of medical cannabis.

Tax on a package of medical cannabis is based on the total weight in ounces of medical cannabis as shown on the label required by 8 Illinois Administrative Code Section 1000.420.

The sales price is determined without any deduction on account of the cost of property sold, the cost of materials used, labor or service cost, or any other expense whatsoever. See 86 Illinois Administrative Code Section 429.110 for rules regarding the treatment of transportation and delivery charges.

The tax is computed on the sales price of the medical cannabis sold after the application of any applicable discounts.

There is no cultivation privilege tax on free samples of medical cannabis given to a dispensing organization by a cultivation center. However, a cultivation center will incur Use Tax liability on the cost price of any free samples of medical cannabis given to dispensing organizations. See 86 Illinois Administrative Code Section 150.305(c).

### What if I need help?

Visit our website at [tax.illinois.gov](http://tax.illinois.gov), or call us weekdays between 8:00 a.m. and 4:00 p.m. at **217 782-6045** or email us at: [rev.atp-mfr@Illinois.gov](mailto:rev.atp-mfr@Illinois.gov).

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## Specific Instructions

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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.

**Note:** You must report your sales from each cultivation center separately.

Enter your business' Account ID and License number issued by the Illinois Department of Revenue at the top of each page. Also provide the reporting period.

### Cultivation center's information

**Location code** - Enter the location code of the cultivation center, found on the certificate of registration, from which you made sales of medical cannabis.

**Business name and address** - Enter the name and physical address of the cultivation center from which you made your sales.

### Figure your privilege tax base

**Line 1** - Enter the number of bulk ounces sold. (Enter ounces to three decimal places.)

**Line 2** - Enter the number of ounces infused into products sold. (Enter ounces to three decimal places.)

**Line 4** - Enter the consideration received for bulk ounces.

**Line 5** - Enter the consideration received for ounces infused into products.

### Page totals

Complete the page totals for each page. The sum of all combined Schedule MC-2 page totals must equal the corresponding lines on Form MC-1.