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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 to dispensing organizations, you must report your sales to each dispensing organization 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 to each dispensing organization.

### How do I report my sales?

Follow the specific instructions on the following page to report your sales. You must identify and report sales to each dispensing organization separately.

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

Tax is due on medical cannabis sold by a cultivation center to a dispensing organization. The cultivation privilege 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 infused product 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(e). For purposes of computing the tax on medical cannabis infused products, the sales price is the cultivation center's average sales price per gram of high grade cannabis flowers. This price shall be determined at the beginning of the month and shall not change during the month.

The tax on a medical cannabis extract or concentrate is based on the sales price of the quantity (in ounces or partial ounces) of extract or concentrate sold by the cultivation center. The quantity for purposes of the tax is actual weight of the extract or concentrate contained in the package.

The medical cannabis sales price is determined without any deduction on account of the cost of property sold, material used, or labor or service or on account of any other expense whatsoever. See 86 Illinois Administrative Code Section 130.415 for rules regarding transportation and delivery charges.

The cultivation privilege 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 incurs 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 products are considered bulk medical cannabis for purposes of computing the tax?

**Bulk medical cannabis** is cannabis intended for medicinal use

- dried in its physical form to smoke; or
- in another physical form after extraction from the cannabis plant, such as hash, ice wax, bubble hash, oil, wax, budder, pie crust, taffy, shatter, nectar, caviar, and kief, regardless of how it is packaged or intended to be used; and
- not infused or combined with another product.

### What products are considered infused medical cannabis for purposes of computing the tax?

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

- 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; and
- aromatherapy sprays or essences.

### 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**.

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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 to each dispensing organization 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 to the dispensing organization identified below.

### Dispensing organization's information

Enter the identifying information for each dispensing organization to which you made sales of medical cannabis during the reporting period.

**Account ID** - Enter the Account ID (assigned by IDOR) of the dispensing organization to which you made your sales.

**Registry ID number** - Enter the Registry ID number (assigned by the Illinois Department of Financial and Professional Regulation) of the dispensing organization to which you made your sales.

**Business name and address** - Enter the name and physical address of the dispensing organization to which you made your sales.

### Figure your privilege tax base

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

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

**Line 4a** - Enter the consideration received from the dispensing organization for bulk ounces.

**Line 5a** - Enter the consideration received from the dispensing organization 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.