

# OFFICE OF THE NEW YORK STATE COMPTROLLER

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**To: Chief Fiscal Officers**  
**From: Division of Local Government and School Accountability**  
**Subject: Account Code for Marijuana Regulation and Taxation Act (MRTA) Revenues – Tax on Adult-Use Cannabis Sales**

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**Please share this document with others who would benefit from this information.**

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## **Purpose of Bulletin**

The purpose of this bulletin is to provide guidance related to the accounting for moneys received by a county, city, town, or village from the Marijuana Regulation and Taxation Act (MRTA). These revenues are derived from a 4 percent local excise tax on the sale of adult-use cannabis products by a retail dispensary to a cannabis consumer.

## **Background**

The MRTA was signed into law on March 31, 2021, legalizing adult-use cannabis (also known as marihuana or marijuana) in New York State and establishing the Office of Cannabis Management (OCM). The OCM is governed by a Cannabis Control Board and is charged with overseeing and implementing all aspects of the law. The MRTA also amends New York State Tax Law, creating three taxes on the sale or transfer of adult-use cannabis products. The guidance in this document only applies to one of those taxes, the 4 percent local excise tax imposed on each adult-use cannabis sale.

This new tax revenue will be distributed by the Office of the State Comptroller (OSC) to the county in which the retail dispensary is located.<sup>1</sup> The county retains 25 percent of the revenue and will distribute the remaining 75 percent to the city, town, and/or village in which the retail dispensary is located. The county must distribute the revenue within 30 days of receipt from the OSC. If a county has more than one retail dispensary, the remaining 75 percent will be shared in proportion to the sales of the adult-use cannabis products. If a retail dispensary is located in a village within a town, and both local governments allow adult-use cannabis sales, the revenue will be distributed based on a distribution agreement between the town and the village. In the absence of an agreement, the revenue will be distributed evenly between the town and village.

## **New Revenue Account Code**

The new revenue account code **A1116 – Tax on Adult-Use Cannabis** should be used when a local government receives adult-use cannabis tax revenue.

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<sup>1</sup> State Tax Law section 493(c)

**Additional Information**

Additional information related to the MRTA and how the law effects local governments can be found on the [Office of Cannabis Management's website](#).

If you have questions pertaining to the accounting guidance described in this bulletin, please contact the New York State Comptroller's [regional office that serves your local government](#).