



State of New Jersey
CANNABIS REGULATORY COMMISSION

PHILIP D. MURPHY
Governor

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TAHESHA L. WAY
Lt. Governor

DIANNA HOUEYOU, *Chair*
KRISTA NASH, *Commissioner*
MARIA DEL CID-KOSSO, *Commissioner*
SAMUEL DELGADO, *Vice Chair*
CHARLES BARKER, *Commissioner*
CHRIS RIGGS, *Acting Executive Director*

RESOLUTION 2024-298
IMPOSITION OF SOCIAL EQUITY EXCISE FEES ON CLASS 1 CANNABIS
CULTIVATORS FOR THE 2025 CALENDAR YEAR

WHEREAS, pursuant to N.J.S.A. 54:47F-1(a), there may be a Social Equity Excise Fee imposed by the Commission on the cultivation of cannabis by any cannabis cultivator licensed pursuant to the provisions P.L.2021, c.16 (C.24:6I-31 et al.), or on the cultivation of cannabis for the personal-use cannabis marketplace and not for the medical cannabis marketplace by any alternative treatment center deemed to be licensed to engage in personal-use cannabis activities pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a Class 1 Cannabis Cultivator license by the Commission pursuant to N.J.S.A. 24:6I-46; and

WHEREAS, the excise fee, if imposed by the Commission, shall be imposed on the receipts from the sale, or equivalent value of the transfer, of usable cannabis by a cannabis cultivator to any other cannabis establishment, other than another cannabis cultivator; and

WHEREAS, any sale by a cannabis cultivator for which the excise fee is imposed shall be exempt from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.); and

WHEREAS, pursuant to N.J.A.C. 17:30-3.4(b), effective August 19, 2021, until the fee is adjusted pursuant to N.J.A.C. 17:30-3.4(c), the Social Equity Excise Fee shall be 1/3 of one percent of the Statewide average retail price of an ounce of usable cannabis for consumer purchase, during the current calendar year, as determined by the Commission.; and

WHEREAS, pursuant to N.J.A.C. 17:30-3.4(c), beginning nine months following the first sale or transfer of usable cannabis subject to a Social Equity Excise Fee by a cannabis cultivator that is not part of an expanded ATC and continuing annually, the excise fee shall be as follows:

1. If the average retail price of an ounce of usable cannabis in the current calendar year is \$ 350.00 or more, the excise fee shall be:

- i. \$ 10.00 per ounce of usable cannabis; and
- ii. \$ 3.00 per ounce of unusable cannabis sold for the purpose of manufacturing;

2. If the average retail price of an ounce of usable cannabis in the current calendar year is at least \$ 250.00, but less than \$ 350.00, the excise fee shall be:

- i. \$ 30.00 per ounce of usable cannabis; and
- ii. \$ 8.00 per ounce of unusable cannabis sold for the purpose of manufacturing;

3. If the average retail price of an ounce of usable cannabis in the current calendar year is at least \$ 200.00, but less than \$ 250.00, the excise fee shall be:

- i. \$ 40.00 per ounce of usable cannabis; and
 - ii. \$ 12.00 per ounce of unusable cannabis sold for the purpose of manufacturing;
- and

4. If the average retail price of an ounce of usable cannabis in the current calendar year is less than \$ 200.00, the excise fee shall be:

- i. \$ 60.00 per ounce of usable cannabis; and
 - ii. \$ 18.00 per ounce of unusable cannabis sold for the purpose of manufacturing;
- and

WHEREAS, as of August 31, 2024, the statewide average retail price of an ounce of usable cannabis was \$330.68 per ounce; and

WHEREAS, the Commission determined that a waiver of N.J.A.C. 17:30-3.4(c) is necessary to achieve the purposes of P.L.2021, c.16, is necessary to provide consumers access to cannabis items, and does not create a danger to public health, safety, or welfare; and

WHEREAS, N.J.S.A. 54:47F-1(a)(2)(b), gives the Commission the discretion to set the Social Equity Excise Fee at “up to \$30 per ounce . . . if the average retail price of an ounce of usable cannabis was less than \$350 but at least \$250.” (emphasis added); and

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Cannabis Regulatory Commission pursuant to N.J.S.A. 54:47F-1(a)(2)(b), that for the 2025 calendar year, beginning January 1, 2025, the Social Equity Excise Fee is adjusted to \$2.50 per ounce for all sales or transfers of usable cannabis by a cannabis cultivator to any other cannabis establishment, other than another cannabis cultivator, and \$2.50 per ounce of unusable cannabis sold for the purpose of manufacturing. This Social Equity Excise Fee applies to all licensed Class 1 cultivators, including cultivators of cannabis establishments that are “vertically integrated.”

BE IT FURTHER RESOLVED that the Commission’s waiver of N.J.A.C. 17:30-3.4(d), adopted via Resolution 2024-297, is hereby rescinded.

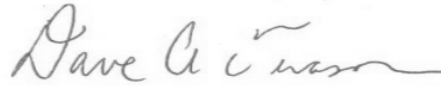
Submitted by:



Dianna Houenou, Chair

CERTIFICATION

I hereby certify that the foregoing is a true copy of the Resolution adopted by the Cannabis Regulatory Commission at its meeting held on the 12th day of December 2024.



Dave Tuason, Chief Counsel

Vote on the Approval of This Resolution	Motion	Second	Yes	No	Abstain	Absent
Commissioner Barker					X	
Commissioner Del Cid-Kosso		X	X			
Commissioner Delgado			X			
Chairwoman Houenou	X		X			
Commissioner Nash			X			