



Schedule MC-2, Medical Cannabis Sales Instructions

General Information

Who must file Schedule MC-2?

If you have one business but sell medical cannabis at more than one cultivation site, you must report taxable receipts from medical cannabis sales from each cultivation site for the purpose of calculating the Medical Cannabis Cultivation Privilege Tax. If you have more than one cultivation center, 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.

How do I calculate the medical cannabis cultivation privilege tax?

Tax is calculated at a rate of 7 percent (.07) of the taxable receipts from the first sale of medical cannabis by a cultivator.

The taxable receipts are 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 taxable receipts 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, 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.

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.

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 3 - Enter the taxable receipts (total receipts less deductions) from medical cannabis sold. This is your taxable receipts from medical cannabis sold.

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.