



informational

Bulletin

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Updates for the Medical Cannabis Cultivation Privilege Tax Effective July 1, 2026

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

For information
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To: Medical Cannabis Cultivation Centers filing Form MC-1, Medical Cannabis Cultivation Privilege Tax Return

Public Act (P.A.) 104-0463 amends the process for calculating tax on the Medical Cannabis Cultivation Privilege Tax.

Beginning **July 1, 2026**:

- the tax imposed is on the privilege of cultivating medical cannabis at the rate of 7% of the **taxable receipts** from the first sale of medical cannabis by a cultivator.

From January 1, 2014, through June 30, 2026:

- the tax imposed was on the privilege of cultivating medical cannabis at the rate of 7% of the **sales price per ounce**.

What new definitions have been added to the Medical Cannabis Cultivation Privilege Tax Law?

P.A. 104-0463 added the following definitions:

- “Gross receipts”** - the total selling price, or the amount of sale except that, in the case of charges and time sales, the amount thereof shall be included only when payments are received by the cultivator of medical cannabis.
- “Selling price” or “amount of sale”** - the consideration for a sale valued in money, whether received in money or otherwise, including cash, credits, property, or services, determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost, or any other expense whatsoever. “Selling price” or “amount of sale” does not include separately stated charges identified on the invoice by cultivators to reimburse themselves for their tax liability.

Will Form MC-1 be updated for this change?

Yes. Form MC-1 and, if applicable, Schedule MC-2, Medical Cannabis Sales, will be updated to calculate tax based on taxable receipts beginning with the July 2026 reporting period, due August 20, 2026.

Medical Cannabis Cultivation Privilege Tax Instructions will also be updated and posted to IDOR’s website at tax.illinois.gov.