City of SACRAMENTO
Office of Cannabis Management

POLICY MEMORANDUM

Date: July 10, 2026

From: Al Romero-Gibu, Cannabis Manager
Fiona Mattson, Program Manager

Re: Tax Compliance Requirements Policy

Sacramento City Code (SCC) section 5.150.150 requires all cannabis businesses to pay all applicable taxes, including the Business Operations Tax pursuant to Sacramento City Code Chapter 3.08 and sales tax pursuant to state law. All cannabis business operating permits (BOP) include the following condition:

"The permit holder shall pay all permit fees and taxes when due, including the City of Sacramento Business Operations Tax (pursuant to SCC Chapter 3.08)."

BOP holders are required to timely pay all taxes and comply with requests from the City of Sacramento Revenue Division.

If a permit holder fails to comply with Revenue Division requirements, the matter may be referred to the Office of Cannabis Management (OCM). Upon referral, OCM may issue a notice establishing a deadline for compliance. Failure to achieve compliance within the specified timeframe may result in denial, suspension, or revocation of the cannabis business operating permit pursuant to SCC Chapter 5.150.