



Ohio Revised Code

Section 3796.40

Effective: [March 20, 2026](#)

Legislation: [Senate Bill 56](#)

(A) Terms used in this section have the same meanings as in section 5739.01 of the Revised Code.

(B) For the purpose of funding the needs of the state and local governments that host adult-use marijuana dispensaries, an excise tax is levied on the retail sale of adult-use marijuana. The rate of the tax shall equal ten per cent of the price of adult-use marijuana and is in addition to taxes levied under Chapters 5739. and 5741. of the Revised Code.

(C) The tax shall be paid by the consumer to the vendor at the time of the sale, and the vendor shall report and remit the tax to the state in the same manner and at the same time the vendor reports and remits the tax levied under Chapter 5739. of the Revised Code. The return required by this division shall be filed on a form prescribed by the tax commissioner, which shall be separate from the return required to be filed under section 5739.12 of the Revised Code. The tax levied under this section shall be collected consistent with Chapters 5703. and 5739. of the Revised Code.

(D) For the same purpose as the tax levied under division (B) of this section, a tax is levied on a vendor that sells any marijuana other than adult-use marijuana or medical marijuana to a consumer. That tax equals ten per cent of the price of such marijuana, and the consumer and vendor are liable for any amounts, including tax, interest, and penalties, imposed under this section and chapter in the same manner as vendors subject to the tax imposed under division (B) of this section.

(E) All amounts collected from a tax levied under this section shall be deposited into the adult use tax fund, which is created in the state treasury.

From the adult use tax fund, the director of budget and management shall transfer as needed to the tax refund fund amounts equal to the refunds attributable to the tax levied under this section and certified by the tax commissioner.

(F) After making any transfers required under division (E) of this section, the director of budget and



management shall transfer amounts remaining in the adult use tax fund as follows:

(1) Sixty-four per cent to the general revenue fund;

(2) Thirty-six per cent to the host community cannabis fund, which is created in the state treasury, for the benefit of municipal corporations or townships that have at least one licensed dispensary. Distributions to such municipal corporations and townships shall be based on the portion of the tax levied under division (B) of this section attributable to each municipal corporation or township. Municipal corporations and townships receiving funds under this division may use such funds for any lawful purpose.

The tax commissioner shall make distributions under this division by the end of each month based on tax collections from the preceding month.

(G) The tax commissioner may prescribe all forms and adopt all rules necessary to administer the tax authorized under this section.