**Section 423.110 Tax Imposed**

a) *Beginning January 1, 2020, a tax is imposed upon purchasers for the privilege of using cannabis at the following rates:*

1) *Any cannabis, other than a cannabis-infused product, with an adjusted delta-9-tetrahydrocannabinol level at or below 35% shall be taxed at a rate of 10% of the purchase price;*

2) *Any cannabis, other than a cannabis-infused product, with an adjusted delta-9-tetrahydrocannabinol level above 35% shall be taxed at a rate of 25% of the purchase price; and*

3) *A cannabis-infused product shall be taxed at a rate of 20% of the purchase price.* [410 ILCS 705/65-10]

b) *The purchase of any product that contains any amount of cannabis or any derivative thereof is subject to the Tax on the full purchase price of the product.*

EXAMPLE: A dispensary sells a cannabis-infused product that contains ⅛ ounce of cannabis for $80. One-eighth of an ounce of cannabis normally sells for $30. The dispensary must collect $16 in Tax on the sales price of the infused product ($80 x .2 = $16).

c) *The Tax is not imposed on cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act.*

d) *The Tax is not imposed with respect to any transaction in interstate commerce, to the extent the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.*

e) *The Tax shall not be imposed on any purchase by a purchaser if the cannabis retailer is prohibited by federal or State Constitution, treaty, convention, statute, or court decision from collecting the Tax from the purchaser.* [410 ILCS 705/65-10]