

CHAMISE CUBBISON  
AUDITOR-CONTROLLER/  
TREASURER-TAX COLLECTOR



CHEYANNE GORDON  
ASSISTANT  
TREASURER-TAX COLLECTOR

TREASURER-TAX COLLECTOR'S OFFICE  
501 LOW GAP ROAD, ROOM 1060, UKIAH, CALIFORNIA 95482  
PHONE (707) 234-6875  
www.mendocinocounty.gov

---

MEMORANDUM

DATE: April 22, 2026  
TO: Board of Supervisors – General Government Committee  
FROM: Chamise Cubbison, Auditor-Controller/Treasurer-Tax Collector  
SUBJECT: Follow Up Information Regarding March 25, 2026 Cannabis Business Tax Item

Following is information requested by the General Government Committee during the March 25, 2026 meeting:

*What percentage of Cannabis Business Taxes are paid through the "True-Up" process?*

For the Tax Years 2023 and 2024, roughly 65% of the Cannabis Business Tax collected through the True-Up process. (See table Page 2)

*Can the budget impact be calculated if the True-Up (minimum tax) is temporarily eliminated?*

For prior years, it is not known how much that amount would have been due to several factors. When trying to calculate for years that have not yet been paid or will be billed, the amount is likely influenced by if there will be stricter enforcement or compliance requirements. For example, the percentage of quarters where no quarterly report was filed was 43-50%. A cultivator may receive a True-Up bill for reporting and paying less than the minimum amount and having an amount due to meet the minimum. A True-Up may be triggered by someone filing/reporting but reporting zero sales. A True-Up is also triggered when there are no reports filed for one or more quarters of the year. Therefore, it is not known how many may simply be waiting to receive the True-Up notice to pay, but if there were stronger enforceable compliance mechanisms, they might be paying some amount without receiving a True-Up notice or if the True-Up was eliminated or what would be collected if all cultivators were subject to a tax rate with no minimum. It is possible that some tax may be paid timelier if there was no True-Up, all payers were subject to a tax based on gross receipts (no minimum), and there were stronger compliance requirements. (See table Page 2)

What is the best mechanism to confirm reported data?

TTC is still seeking information from outside sources and other Counties about what information may be available to use to confirm amounts reported for gross receipts. The State Cannabis Cultivation Tax ended on July 1, 2022, and it is unlikely that California Department of Tax and Fee Administration would still be collecting the relative data or it is not presently available in gross on their website. TTC has reached out to other Counties and HdL Companies to inquire about what information others are using to confirm reported amounts for cultivation gross receipts.

## Cannabis Review

2023	Reduced 50%		Reporting		
<b>Collected</b>		%	ACTIVE Quarters	2648	
Q1-4 Gross Receipts	\$350,000.00	35%	Quarters NOT FILED	1315	<b>50%</b>
True Up	\$654,000.00	65%			
<b>TOTAL</b>	<b>\$1,004,000.00</b>	100%			
<hr/>					
2024	Reduced 50%		Reporting		
<b>Collected</b>		%	ACTIVE Quarters	2953	
Q1-4 Gross Receipts	\$280,000.00	35%	Quarters NOT FILED	1394	<b>47%</b>
True Up	\$529,000.00	65%			
<b>TOTAL</b>	<b>\$809,000.00</b>	100%			
<hr/>					
2025	Reduced 40%		Reporting		
Q1-4 Gross Receipts <b>COLLECTED</b>	\$225,000.00	%	ACTIVE Quarters	3166	
True Up ( <b>Billed 4/16/26, Due 5/31</b> )	\$1,323,000.00		Quarters NOT FILED	1356	<b>43%</b>
<b>TOTAL</b>	<b>TBD</b>				
			Total Active Accounts	<b>791</b>	
			Cottage	76	10%
			Type 1	95	12%
			Type 2	620	78%
<hr/>					
2026	Reduced 35%				