



Marijuana Industry

A key component in promoting the highest degree of voluntary compliance on the part of taxpayers is helping them understand and meet their tax responsibilities while also enforcing the law with integrity and fairness to all. This article provides general guidance including frequently asked questions for taxpayers in the marijuana industry.

I.R.C. § 280E and the Marijuana Industry

Businesses that traffic marijuana in contravention of federal or state law are subject to the limitations of [Internal Revenue Code \(IRC\) Section 280E](#). The Marijuana Industry FAQs, linked below, address federal tax filing and information report requirements specific to taxpayers in this industry.

Income Reporting

Income from any source is taxable and taxpayers are generally required to file a tax return to report that income to the IRS. Many marijuana-industry businesses conduct transactions in cash, which need to be reported, like any other form of payment. See [Publication 334, Tax Guide for Small Business](#), for more details.

Cash Payment Options

Cash payment options are available for unbanked taxpayers. Some IRS Taxpayer Assistance Centers accept cash. Call 844-545-5640 for a location near you to schedule an appointment. [Publication 5435](#) [PDF](#) provides additional details about cash payment options.

Large Cash Amounts

Any person in a trade or business who receives [more than \\$10,000 in cash](#) in a single transaction or in related transactions must file [Form 8300](#) [PDF](#), Report of Cash Payments Over \$10,000 Received in a Trade or Business, within 15 days after receiving payment.

Estimated Payments

Related Topics

- [Marijuana Industry Frequently Asked Questions](#)
- [Industries/Professions Tax Center](#)

Small business taxpayers often need to make quarterly estimated tax payments to cover their tax obligation. [Form 1040-ES, Estimated Tax for Individuals](#), will help to figure these payments. IRS [Direct Pay](#) is the fastest and easiest way to make these payments. The Treasury Department's ([EFTPS](#)) system is also an option.

Records

Good records assist in monitoring a business's progress, tracking deductible expenses and can substantiate items reported on tax returns. A good [recordkeeping](#) system includes a summary of all business transactions. Generally, it is best to record transactions daily.

More Information

- [Marijuana Industry FAQs](#)
- [Paying Your Taxes](#)
- [What to Expect When You Pay Cash at an IRS Office](#)
- [Pay Your Taxes with Cash](#)
- [Publication 5435, Need to pay your taxes in cash?](#) [PDF](#)
- [Publication 5435A, Need to pay your taxes in cash? There are different ways to pay](#) [PDF](#)
- [Publication 5436, Large Cash Payments What to Expect](#) [PDF](#)
- [Publication 5436-A, Paying in Cash at an IRS Taxpayer Assistance Center?](#) [PDF](#)
- [Cash Payments to the IRS over \\$10,000 FAQs](#)
- [Publication 5250, How to Pay Taxes with Cash at a Retail Partner](#) [PDF](#)
- [Form 8300, Report of Cash Payments Over \\$10,000 Received In a Trade or Business](#) [PDF](#)
- [Cash Intensive Businesses Audit Techniques Guide - Table of Contents](#)
- [Electronic Federal Tax Payments System \(EFTPS\)](#)
- [Debit, Credit Card or Digital Wallet](#)
- [Virtual Currencies](#)
- [Internal Revenue Code \(IRC\) Section 280E](#) [↗](#)
- [Small Business and Self-Employed Tax Center](#)
- [Publication 583, Starting a Business and Keeping Records](#)

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