Act No. 23
Public Acts of 2025
Approved by the Governor
October 7, 2025
Filed with the Secretary of State
October 7, 2025
EFFECTIVE DATE: October 7, 2025

STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2025

Introduced by Rep. Steckloff

ENROLLED HOUSE BILL No. 4951

AN ACT to provide for the imposition and collection of excise taxes on certain sales of marihuana; to provide for the establishment of procedures for the collection, administration, and enforcement of those taxes; to provide for the disposition of the taxes; to provide for the promulgation of rules; to create the comprehensive road funding fund; and to prescribe the powers and duties of certain state governmental officers and entities.

The People of the State of Michigan enact:

Sec. 1. This act may be cited as the "comprehensive road funding tax act".

Sec. 3. As used in this act:

(a) "Affiliated person" means a person that, directly or indirectly through 1 or more intermediaries, controls, is controlled by, or is under common control with, another person.

(b) "Average wholesale price" means the price of marihuana that is calculated and published by the department each quarter based on the best available information.

(c) "Cannabis regulatory agency" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.

(d) "Comprehensive road funding fund" means the fund created in section 11.

(e) "Department" means the department of treasury.

(f) "Marihuana" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.

(g) "Marihuana establishment" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.

(h) "Marihuana microbusiness" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.

(i) "Marihuana retailer" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.

(j) "Marihuana retail licensee" means a marihuana retailer, marihuana microbusiness, or any other person authorized by the cannabis regulatory agency under the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, to sell or otherwise transfer marihuana to individuals who are 21 years of age or older.

(k) "Person" means an individual, corporation, limited liability company, partnership of any type, trust, or other legal entity.

(l) "Provisioning center" means that term as defined in section 2 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27102.

(m) "Wholesale price" means the following in the following circumstances:

(i) For transactions between persons that are not affiliated persons, the actual price paid to a marihuana establishment by a marihuana retail licensee to acquire marihuana from the marihuana establishment. For purposes of this subparagraph, the wholesale price includes any tax, fee, or other charge reflected on the invoice, bill of sale, purchase order, or other document evidencing the sale or transfer of the marihuana. The wholesale price must not be reduced due to any rebate, trade allowance, licensing or exclusivity agreement, volume or other discount, or any other reduction given by the marihuana establishment.

(ii) For transactions between persons that are affiliated persons, including transactions between provisioning centers and marihuana retail licensees, and for marihuana that is cultivated and processed for retail sale by the marihuana retail licensee, the average wholesale price of the marihuana.

Sec. 5. In addition to all other taxes, beginning January 1, 2026, an excise tax is levied and imposed on the wholesale price of the sale or other transfer of marihuana at the following rates in the following circumstances:

(a) For the first sale or other transfer of marihuana from a marihuana establishment to a marihuana retail licensee, a tax is levied on the marihuana establishment at the rate of 24% of the wholesale price of the marihuana sold or otherwise transferred.

(b) For the sale of marihuana that is cultivated and processed for retail sale by the marihuana retail licensee, a tax is levied on the marihuana retail licensee at the rate of 24% of the wholesale price on the aggregate amount or quantity of marihuana that is cultivated or processed for retail sale by that marihuana retail licensee.

(c) For the sale or transfer of marihuana from a provisioning center to a marihuana retail licensee, a tax is levied on the provisioning center at the rate of 24% of the wholesale price of marihuana sold or otherwise transferred to the marihuana retail licensee.

Sec. 7. (1) The department shall administer the excise taxes imposed by this act pursuant to 1941 PA 122, MCL 205.1 to 205.31, and this act. If the provisions of 1941 PA 122, MCL 205.1 to 205.31, and this act conflict, this act applies.

(2) The department shall prescribe the forms necessary for the administration of this act and may promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this act and prescribe a method and manner for payment and collection of the taxes imposed under this act.

Sec. 9. (1) A person that is subject to a tax imposed by this act shall file periodic returns at the times and in the manner prescribed by the department and remit the total amount of tax due with each return.

(2) If a due date of a return falls on a Saturday, Sunday, or legal holiday, the taxes are due on the next succeeding business day.

Sec. 11. (1) The comprehensive road funding fund is created in the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source in the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) The department is the administrator of the fund for audits of the fund.

(4) The department shall expend money from the fund, on appropriation, only for the implementation and administration of this act.

(5) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

Sec. 13. (1) Except as otherwise provided under subsection (2), the revenue collected under this act must be deposited in the following manner:

(a) For the 2025-2026 state fiscal year, $3,000,000.00 to the comprehensive road funding fund and the balance to the neighborhood road fund created in section 13c of 1951 PA 51, MCL 247.663c.

(b) Except as otherwise provided under subsection (2), beginning with the 2026-2027 state fiscal year and each state fiscal year thereafter, $500,000.00 to the comprehensive road funding fund and the balance to the neighborhood road fund created in section 13c of 1951 PA 51, MCL 247.663c.

(2) For the 2027-2028 state fiscal year and each fiscal year thereafter, the state treasurer shall adjust the amount to be deposited to the comprehensive road funding fund under subsection (1)(b) for inflation, as measured by the ratio of the average published monthly Consumer Price Index values for the previous fiscal year to the published monthly Consumer Price Index values for the fiscal year prior to the previous fiscal year, minus 1. If the calculated change in the Consumer Price Index is negative, the adjustment for that fiscal year is zero. As used in this subsection, "Consumer Price Index" means the most comprehensive index of consumer prices available for this state from the Bureau of Labor Statistics of the United States Department of Labor.

Enacting section 1. This act does not take effect unless all of the following bills of the 103rd Legislature are enacted into law:

(a) House Bill No. 4183.

(b) House Bill No. 4961.

(c) House Bill No. 4968.

This act is ordered to take immediate effect.

Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

House Bill No. 4183 was filed with the Secretary of State October 7, 2025, and became 2025 PA 20, Imd. Eff. Oct. 7, 2025.

House Bill No. 4961 was filed with the Secretary of State October 7, 2025, and became 2025 PA 24, Imd. Eff. Oct. 7, 2025.

House Bill No. 4968 was filed with the Secretary of State October 7, 2025, and became 2025 PA 25, Imd. Eff. Oct. 7, 2025.