



Cannabis Industry Payroll Tax Reporting

The Employment Development Department (EDD) is here to help business owners in the cannabis industry comply with California's payroll tax laws and avoid unforeseen tax liabilities. If you hire employees to perform services, you are required by law to withhold, report, and pay payroll taxes to the EDD.

Cannabis businesses include, but are not limited to:

- Distributors
- Transporters
- Dispensaries, which would include:

- Employees
- Plant caretakers
- Budtenders
- Security guards
- Salespersons
- Deliverers

Here are a few resources available to you:

- [FAQs - Cannabis Industry Payroll Tax Reporting](#)
- [Tip Card: Cannabis Industry Businesses \(DE 643\) \(PDF\)](#)

- [Tip Card: Additional Information About Your Cannabis Business \(DE 4020\)](#)
- [Getting Started](#)
- [Payroll Tax Seminars](#)
- [California Department of Tax and Fee Administration - Tax Guide for Cannabis Businesses](#)
- [Franchise Tax Board - Cannabis Tax Law and Legislation](#)

For further assistance, contact the Taxpayer Assistance Center at 1-888-745-3886 or visit your local [Employment Tax Office](#).

Semi-Annual Interest Rate Reporting

The interest rate is adjusted semiannually based on the short-term federal rates in January and July of each year. Interest is charged on all delinquent taxes, interest, and certain penalties. The interest rate is established according to section 19521 of the California Revenue and Taxation Code.

For the period July 1, 2019, through December 31, 2019, the semi-annual interest rate will be 6 percent (0.06), compounded daily. The daily interest factor will be 0.000164. For more information on the semi-annual interest rate, visit the EDD [Interest Rate webpage](#) or call the Taxpayer Assistance Center at 1-888-745-3886.

Planning, Running, or Closing a Business

No matter what phase of business ownership you are in, the EDD is here to help. Whether you are in the planning stage, recently opened, already established, or you are closing your business, the EDD has resources that can assist you at every phase.

For those of you who are planning to open a business but are not sure where to begin, visit [Getting Started](#) on EDD's [Payroll Taxes webpage](#). Some of the topics covered include:

- How to register as an employer.
- Reporting requirements.
- Payroll tax seminars, and more.

If you are a new business owner, take a look at information on [running your business](#) and explore the business management resources the EDD has available.

Some topics you'll discover are:

- [File and Pay Options](#)
- [View Your Payroll Tax Rates](#)
- [How to Protect Your Business from Higher Unemployment Insurance Taxes \(YouTube\)](#)

If you're at the end of your business ownership journey and you're moving towards [closing your business](#), the EDD has you covered.

You can expect to find these topics and more:

- Closing your business.
- Selling your business.
- Payroll taxes (final filing information).
- Worker Adjustment and Retraining Notification (WARN) Act for plant closures and mass layoffs.

For additional information, visit [Payroll Taxes](#), call the Taxpayer Assistance Center at 1-888-745-3886, or visit an office near you.

EDD Office Locator

Finding an office near you is quick and easy using the [Office Locator](#). This tool can help you locate the following types of offices:

- America's Job Center of CaliforniaSM
- Disability Insurance
- Tax
- Veterans Services

To find an office near you, all you need to do is:


- Select the type of office you are looking for.
- Enter a ZIP Code, city, and state.
- Or enter a complete address.

Contact the selected office before visiting as office hours may vary by location.


Note: not all America's Job Center of CaliforniaSM offices have EDD staff present.


EDD – Keeping You Informed Through Social Media


Through EDD's social media channels, you are able to keep informed of the latest EDD updates, information, and events impacting California employers. Access is quick, convenient, and there are many options for you to choose from.

 **EMAIL**
Subscribe to EDD's [subscription services](#) to receive the latest updates and information on our programs and services, such as employment, payroll tax information, State Disability Insurance, Unemployment Insurance, and the Workforce Innovation and Opportunity Act.

 **FACEBOOK**
Like or follow our [Facebook](#) page to get general information on a wide variety of services, events, and more.

 **TWITTER**
Follow the EDD [Twitter](#) page to stay up-to-date with news and information about our programs and services.

 **YOUTUBE**
Our [YouTube](#) channel offers the latest informational videos, how-to tutorials, and program success stories.

 **INSTAGRAM**
The [EDD Instagram account](#) can quickly connect you with data, stories, and images relating to EDD programs.

Whether you choose one or more of our social media channels, the EDD has a quick and convenient way to keep you informed.



The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, and/or alternate formats need to be made by calling 1-916-651-7572. TTY users, please call the California Relay Service at 711.

Employment Development
Department
PO Box 826880
Sacramento, CA 94280-0001

Produced by the EDD Strategic
Communications Division, Marketing
and Brand Management Office,
MIC 84
Loree Levy, Deputy Director
Tina Gutierrez, Editor

Third Quarter
2019:
Vol. 71, No. 3