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Wholesale Transfer Types

This notification is to remind all facilities of the changes in Wholesale Transfer Types as required by **AB 430**, which took effect January 1, 2024. These changes were discussed in the collaborative training between the Department of Taxation, CCB, and Metrc, held on November 15, 2023. The Taxation required changes are as follows:

Pre-Rolls from cultivation are no longer to be entered as “each” for the unit of measure and must be entered by cannabis weight.

1. Wholesale Cannabis Tax is on the first wholesale sale of cannabis from a Cultivation facility (AB430)
 - a. If the sale is to an Affiliate Licensee, the transfer type selected in Metrc must be **“Affiliate Wholesale Transfer-Initial (1st)”** transfer type.
 - i. Taxed at 15% of the Fair Market Value
 - ii. “Affiliate” means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, a specified person.
 - b. If the sale is to a Non-Affiliate Licensee, the transfer type selected in Metrc must be **“Non-Affiliate Wholesale Transfer-Initial (1st)”** transfer type.
 - i. Taxed at 15% of the Contract Price
 - ii. “Non-Affiliate” is any person that does not fall into the definition of “affiliate.”
 - c. Responsibility is on both the sending and receiving facilities to verify that the transfer type is correct.
 - d. *IMPORTANT DISTINCTION:* The prior used “Affiliate Transfer Cultivation to Cultivation” transfer type in Metrc has changed to **“Identical Ownership Transfer-Cultivation to Cultivation”** and is only to be used under the provisions of **NRS 372A.290(8)(f)** where the transfer is to an identically owned cultivation facility and not defined as a “wholesale transfer.” Identical Ownership is a **DISTINCTLY** different meaning than “Affiliate.”
2. Seeds will no longer be required to be reported on the Wholesale Cannabis Tax return beginning January 1, 2024 (**SB277**).

See table on page 2

SEED TO SALE TRANSFER TYPES		
Affiliate Wholesale Transfer- Initial	Wholesale	If the sale is to an Affiliate Licensee “Affiliate” means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, a specified person.
Identical Ownership Transfer- Cultivation to Cultivation	Standard	Transfer is to an identically owned cultivation facility and not defined as a “wholesale transfer.” Identical Ownership is a DISTINCTLY different meaning than “Affiliate
Non-Affiliate Wholesale Transfer- Initial	Wholesale	If the sale is to a Non-Affiliate Licensee
Wholesale Return	Wholesale	Used to physically return cannabis product to the originating facility. The original transfer manifest should be included as a note
Virtual Transfer	Standard	Use to correct transfer variances AFTER received in Metrc. Transfer errors should be logged on an internal error log and corresponding documentation (emails invoices, and signed manifest) should be kept on file and submitted upon state request
Compliance/Law Enforcement	Standard	Only used for seizure of cannabis products by CCB or Law Enforcement. Requires a copy of seizure notice kept on file and incident report filed with CCB.
External – Patient Donation	Standard	Authorized acquisition of usable cannabis from external sources
Lab Transfer	Standard	Used only to transfer lab sample to and from a licensed lab
Product Packaging Temp Transfer-No Sale	Standard	Temporary transfer of usable cannabis or cannabis product for the sole purpose of packaging ONLY . Packaged inventory must be returned to the originating facility within 10 business days.
Remediation Temp Transfer-No Sale	Standard	Temporary transfer of usable cannabis for the sole purpose of remediation ONLY . Inventory must be returned to the originating facility within 10 business days.