



State of New Jersey
CANNABIS REGULATORY COMMISSION

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Social Equity Excise Fee Imposition on Class 1 Cultivators

N.J.S.A. 54:47F-1(a) authorizes the New Jersey Cannabis Regulatory Commission (“Commission”) to impose a Social Equity Excise Fee “on the receipts from the sale, or equivalent value of the transfer, of usable cannabis by a cannabis cultivator to any other cannabis establishment, other than another cannabis cultivator.” On August 19, 2021, the Commission promulgated its Personal Use Cannabis Regulations, which defined the method of establishing the Social Equity Excise Fee. See N.J.A.C. 17:30-3.4. The initial imposed Social Equity Excise Fee was determined to be \$1.10 per ounce for the 2022 calendar year, which was based on a statewide average retail price per ounce of usable cannabis of \$329.17.

As of September 30, 2025, the statewide average retail price of an ounce of usable cannabis was \$251.06 per ounce. Pursuant to N.J.A.C. 17:30-3.4(c)(2), beginning nine months following the first sale or transfer of usable cannabis subject to a Social Equity Excise Fee by a cannabis cultivator that is not part of an expanded ATC and continuing annually, the excise fee shall be as follows: If the average retail price of an ounce of usable cannabis in the current calendar year is at least \$ 250.00, but less than \$ 350.00, the excise fee shall be: \$ 30.00 per ounce of usable cannabis; and \$ 8.00 per ounce of unusable cannabis sold for the purpose of manufacturing.

During its board meeting on December 11, 2025, the Commission waived N.J.A.C. 17:30-3.4(c) and relied on the enabling statute’s language at N.J.S.A. 54:47F-1(a)(2)(b), which gives the Commission the discretion to set the social equity excise fee at “up to \$30 per ounce . . . if the average retail price of an ounce of usable cannabis was less than \$350 but at least \$250.” (emphasis added). The Commission has determined that waiving the regulation rather than raising the social equity excise fee from \$2.50 per ounce to \$30.00 per ounce for the 2026 calendar year is necessary to achieve purposes of P.L.2021, c.16, is necessary to provide consumers access to cannabis items, and would not create a danger to public health, safety, or welfare. Thus, in order to ensure strike a balance that the New Jersey cannabis industry remains competitive, inclusive and still capable of supporting social equity goals, the Commission set the social equity excise fee at \$2.50 per ounce.

Thus, pursuant to N.J.S.A. 54:47F-1(a)(2)(b), please be advised that for the 2026 calendar year, beginning January 1, 2025, the social equity excise fee is adjusted to \$2.50 per ounce for all sales or transfers of usable cannabis by a cannabis cultivator to any other cannabis establishment, other than another cannabis cultivator, and \$2.50 per ounce of unusable cannabis sold for the purpose of manufacturing. This Social Equity Excise Fee applies to all licensed Class 1 cultivators, including cultivators of cannabis establishments that are “vertically integrated.”