

MISSOURI SUPREME COURT STRIKES DOWN UNCONSTITUTIONAL TAXATION

Today, the Supreme Court of Missouri announced that municipalities may not concurrently impose separate local sales taxes on the same marijuana product. In this major ruling with statewide financial implications, the Missouri Supreme Court has decided that cities and counties cannot both impose a 3% sales tax on marijuana products, effectively banning the practice known as “tax stacking.”

IN THE CASE OF...TAXATION

The Court’s decision today impacts every licensed cannabis dispensary facility located in an incorporated city and in which the surrounding county sought to impose a 3% local sales tax. Similar to the Missouri Court of Appeals decision in November 2024, the Supreme Court decision held that this sort of dual taxation is unconstitutional under Article XIV, Section 2 of the Missouri Constitution. The decision impacts how much sales tax will be collected at a majority of the licensed dispensary facilities across Missouri.

KEY IMPACTS

- **Consumers** patronizing dispensaries located in incorporated areas will no longer be required to pay a 3% local tax imposed by the surrounding county.
- **Dispensaries** may see an uptick in sales due to lower prices that do not reflect the unconstitutional “tax stacking.”
- **Local governments** that previously relied on tax stacking will need to reassess budgets; this ruling specifically impacts counties that are no longer allowed to tax retail marijuana sales occurring at dispensaries within incorporated areas.

It is estimated that the ruling will save Missouri consumers over \$3 million each month. This landmark case provides clarity on the Missouri cannabis tax structure and will enable dispensaries in incorporated areas to decisively understand their rights and needs concerning consumer taxes. For most

PEOPLE

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SERVICES AND INDUSTRIES

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consumers, this decision will translate into lower costs at the register.

Armstrong Teasdale's [Cannabis Law](#) practice constantly monitors issues and opportunities relevant to our clients. Contact your regular AT lawyer or one of the authors to discuss your particular situation.