

AUDIT SERVICES

CANNABIS LOUNGES & SMOKE SHOPS

TAX MATRIX

INDUSTRY GUIDANCE

Category:	Cannabis Lounges & Smoke Shops	Tax Type:	Sales & Use Tax
Brief Description:	Cannabis Lounges & Smoke Shops Tax Matrix	Issuance Date:	06-23-2025
		Revision Date:	06-23-2025

The taxability of sales and purchases of tangible personal property and labor services by cannabis lounges and smoke shops are summarized below. While this document provides general information as to the taxability of sales and purchases of tangible personal property and labor services by businesses in the cannabis industry, it may not necessarily cover every situation as the taxability may depend on facts and circumstances around the specific transaction. Should a more definitive determination be desired, businesses may request a letter ruling from the Department. [MODOR Letter Ruling Page](#)

This list is not all-inclusive.

Missouri sales or use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Missouri sales or Missouri consumer's use tax must be paid to the vendor or accrued and remitted directly to the Missouri Department of Revenue. Purchases from Missouri vendors should be reported using the retailer's sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Missouri consumer's use tax return.

Note: *These businesses can sell products that are not defined as marijuana according to the MO Constitution.*

Sales by Cannabis Lounges & Smoke Shops:	Taxable/Exempt
Sales at retail, including but not limited to, hemp items, pipes, papers, other paraphernalia, shirts, hats, food items containing hemp, etc.	Taxable
Memberships that may or may not include tangible personal property as part of the membership price	Taxable
Rentals of tangible personal property	Taxable
Gift certificates	Exempt
Snacks (which do not contain hemp), including but not limited to, soda, chips, cookies, etc.	Taxable
Books and periodicals	Taxable
Room or event space rental	Taxable

AUDIT SERVICES

CANNABIS LOUNGES & SMOKE SHOPS

TAX MATRIX

Sales by Cannabis Lounges & Smoke Shops (continued):	Taxable/Exempt
Combined shipping and handling	Taxable
Handling charges	Taxable
Shipping, delivery, freight, and postage charges	Exempt

Purchases by Cannabis Lounges & Smoke Shops:	Taxable/Exempt
Items purchased for resale	Exempt
Point of sale systems and supplies	Taxable
Shelving, display racks, display cases, suction tables, checkout counters, storage cabinets, etc.	Taxable
Office supplies such as office forms, staplers, paper, pens, pencils, labels, business cards, ink, toner, ribbon cartridge, etc.	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, artwork, signs, plants and planters, shelving, etc.	Taxable
Promotional items including but not limited to: calendars, mugs, clothing, balloons, etc.	Taxable
Complimentary bottled water, coffee, soft drinks, creamer, sugar, cups and stir sticks, candy, etc.	Taxable
Break room supplies such as microwaves, refrigerators, tables, chairs and paper products	Taxable
Books, newspaper, and magazine subscriptions	Taxable
Educational materials such as posters, printed materials and literature, etc.	Taxable
Computer & internet equipment	Taxable
Donations of tangible personal property	Taxable
Specialty advertising	Taxable
Media advertising	Exempt
Utilities	Taxable

AUDIT SERVICES

CANNABIS LOUNGES & SMOKE SHOPS

TAX MATRIX

Purchases by Cannabis Lounges & Smoke Shops (continued):	Taxable/Exempt
Canned software and software upgrades to maintain or update software delivered via CD Rom	Taxable
Canned software provided via electronic download through the internet	Exempt
Custom software and software upgrades to maintain or update software developed for a single end user	Exempt
Security cameras & other security related equipment	Taxable
Security monitoring services	Exempt
Streaming music services	Exempt
Janitorial supplies	Taxable
Trash & cleaning services	Exempt
Pest control services	Exempt
Uniforms	Taxable
Repairs, maintenance, and remodeling services to existing structure/facility through a hired contractor	Exempt
Warranty or service agreements for tangible personal property such as computers, printers, copiers, security equipment, etc.	Exempt
Shipping, delivery, freight, and postage charges	Exempt
Handling charges	Taxable
Combined shipping & handling	Taxable