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CONTACT: Rose
Tantraphol

Moonsail North

rose@moonsailnorth.com

517.775.2152

MiCIA Rails Against the Michigan Legislature's 'Trojan Horse' Move Passing 24% Tax on Cannabis

*Leading cannabis trade organization is fighting in court to protect the will of voters
who passed the marijuana ballot initiative in 2018*

LANSING, Mich.—(Nov. 24, 2025)—The **Michigan Cannabis Industry Association (MiCIA)** on Tuesday will advance its fight against the state's unconstitutional 24% wholesale tax on marijuana by arguing its case before **Judge Sima Patel** in the **Michigan Court of Claims**.

At a Court of Claims hearing scheduled for 11 a.m. on Nov. 25, attorneys from **Honigman LLP** and **Dykema** will present the case for the importance of granting an injunction against the tax, which is set to go into effect Jan. 1, 2026.

"Michigan voters made their voices heard in 2018 when they passed a citizen ballot initiative legalizing cannabis," MiCIA Spokeswoman **Rose Tantraphol** said today. "When the state Legislature passed this law imposing a 24% wholesale tax on cannabis, it did so in violation of provisions in the state's constitution. Lawmakers used a trojan horse process during chaotic, middle-of-the-night actions to ram this legislation through. We're fighting to protect the will of Michigan voters."

On Oct. 7, MiCIA filed a lawsuit challenging the state's newly signed law that seeks to impose a 24% wholesale tax on the marijuana industry. The lawsuit seeks to strike the tax in its entirety and details how the last-minute, late-night process that led to this law occurred in violation of constitutional provisions.

The vehicle used for the law was what is commonly referred to as a "shell bill," and the Legislature unconstitutionally changed the purpose of that bill before passage and did not meet the three-quarters majority required to amend the terms of the Michigan Regulation and Taxation of Marihuana Act (MRTMA) as an initiated law.

MiCIA, which represents more than 400 cannabis producers, says that this new law does more than go against the will of voters.

The 2018 ballot proposal, which voters approved 55% to 45%, created a comprehensive tax structure for marijuana transactions. This comprehensive tax structure was deliberately created in an attempt to stamp out the illicit market and was made clear to the voters who overwhelmingly approved the initiative.

That structure imposes a 10% excise tax on all marijuana sales or transactions and then creates exceptions to that tax, including for wholesale transactions between licensed businesses.

“By imposing a new tax on cannabis transactions, the Comprehensive Road Funding Tax Act (CRFTA) unconstitutionally amended the cannabis law that voters approved, and did so without the requisite supermajority vote,” Tantraphol said. “This was an unconstitutional move—end of sentence, full stop.”

The new tax threatens to cause widespread job loss for the state’s cannabis industry.

“This law will negatively impact [47,000 Michigan residents employed in the industry](#),” Tantraphol said. “Lawmakers enacted this law almost as a joke when they noted that it is estimated to bring in \$420 million annually. That’s how unserious lawmakers were when they enacted this job-killing law — they literally put a 420 joke into the budget. None of the hard-working Michiganders who work in the cannabis industry who will lose their jobs due to this law thinks that is the least bit funny.”

The 2018 ballot language specifically noted that there would only be one excise tax at the rate of 10% placed at the retail level. The tax revenue was allocated to fund roads, local governments, schools and veterans research as specifically requested by voters. Nowhere in the ballot language were voters informed that there would ever be a second excise tax placed on cannabis, and the legislature has thwarted the will of the voters with this new law. [Read the enacted law](#) based on the passage of ballot initiative.

The Court of Appeals in November granted MiCIA’s expedited consideration in this case, [Michigan Cannabis Industry Association v. Michigan](#) (COC Docket No. 25-000160-MM).

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The Michigan Cannabis Industry Association (MiCIA) is the state’s leading cannabis trade association. MiCIA advocates for safe, sensible cannabis policy for a thriving, well-regulated industry. For more information, go to <https://micia.org>.