



## FOR IMMEDIATE RELEASE

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### **MiCIA Files Appeal of the Court of Claims Decision Upholding the State's Unconstitutional 24% Cannabis Tax**

The state's leading cannabis trade association seeks to move the case to the Court of Appeals, asking for a decision prior to Jan. 1

**LANSING, Mich.**—(Dec. 23, 2025)—In a move that seeks to protect the will of Michigan voters, the **Michigan Cannabis Industry Association (MiCIA)** today filed an appeal of the Dec. 8 decision issued by the **Michigan Court of Claims** in *Michigan Cannabis Industry Association v. Michigan* (COC Docket No. 25-000160-MM).

“We stand by our belief that the Court of Claims did not make the right call when it issued an opinion that declined to block the Michigan Legislature's unconstitutional 24% wholesale tax on cannabis from going into effect on New Year’s Day,” said **Rose Tantraphol**, MiCIA spokesperson. “Our filing requests that the Court of Appeals take up our lawsuit, which we continue to believe is an exceptionally strong case on the merits. The 24% wholesale tax violates the will of the voters who approved the 2018 citizen ballot initiative on cannabis, and we will not back down from fighting for the will of the people in court.”

The MiCIA is asking the Court of Appeals to take up its appeal immediately and rule as soon as possible — preferably before Jan. 1, 2026, when the 24% cannabis wholesale tax is set to go into effect.

The MiCIA’s lawsuit, filed Oct. 7 and developed by MiCIA’s attorneys from **Honigman LLP** and **Dykema**, seeks to strike the tax in its entirety and details how the rushed and chaotic late-night process that led to this tax occurred in violation of several constitutional provisions.

The vehicle that the Legislature used to push through the wholesale tax was what is commonly referred to as a “shell bill;” the Legislature 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.

In a decision handed down on Dec. 8, the Court of Claims ruled on two issues — change of purpose and amendment by reference — and left open a third issue to be addressed in a hearing set for Jan. 13, 2026.

Because the Court of Claims left open that final issue, the MiCIA filed what's called an application for leave to appeal in the Court of Appeals; that application asks that court to take up its case even though it hasn't been fully resolved in the trial court.

The MiCIA argues that the trial court was wrong when ruling against two of its arguments, and was incorrect in not ruling on the third issue, since all parties had agreed prior to the Nov. 25 Court of Claims hearing that there were no fact-based issues.

Tantraphol said that it's important that the appeal be moved to the Court of Appeals and expedited, because waiting for a trial to take place would cause unnecessary delay for the Court of Appeals to consider these important issues. Any delay in reaching an ultimate decision harms the industry which is likely to face this unconstitutional wholesale tax until then.

"The stakes are incredibly high," Tantraphol said. "The Michigan cannabis industry has been an economic engine for our state since voters legalized marijuana in 2018. Our industry has created 47,000 new jobs, pumped \$331 million annually to schools, roads, and other public priorities through the 10% excise tax we collect, and generated \$188 million in annual sales taxes. This unconstitutional move by the Legislature jeopardizes all of that."

Tantraphol noted that although the wholesale tax hasn't kicked in yet, one cannabis operation in Webberville has already announced it will be closing, while another business has told MiCIA that it will close soon. And one business in the Upper Peninsula permanently laid off 61 employees last week.

"Businesses will close and neighbors will lose jobs," Tantraphol said. "Cannabis businesses operate on thin margins, so allowing the 24% wholesale tax to go into effect will mean a lower volume of sales. The state's own Senate Fiscal Agency predicts that due to market elasticity, total sales will decrease by about 14%."

Tantraphol said there is also the concern that customers will start to turn to the illicit market due to the addition of this hefty wholesale tax. "The last thing the state should be doing is pushing Michiganders who are already feeling stretched financially into the illicit market," she said. "Let's get this case to the Court of Appeals so that we can start to right this wrong."

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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>.