

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

derivative of the hemp plant and is therefore legal.

Craig Smalley • Mar. 16, 2021



Delta 8 THC, a tetrahydrocannabinol isomer of THC derived from hemp extract, currently burning up the charts, and is very popular in vape cartridges & edibles. Nowadays, questions about its legality have become as popular as the substance itself. The legalities of Delta-8 have been called into question since the 2018 Farm Bill was passed making hemp legal. In order for hemp to be legal it has to contain less

than 0.3% dry weight contains Delta-9 THC which is the psychoactive THC that gets

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

psychoactive result much like Delta-9, however other people state that it can cause nausea, paranoia, and vomiting. It all boils down to how much you take.

On January 15, 2021, the FDA did a study on Delta-8 and issued final regulations on the legality of the compound. As Delta-8 is not Delta-9 it is not regulated under the Controlled Substance Act of 1971.

Section 280E does not come into question here with Delta 8. Section 280E is the section that states any drug for purposes of income tax can only take cost of goods sold (COGS) to limit their tax exposure. Delta 8 as previously stated does not fall into this category.

[The 2021 FDA guidelines](#) State that more hemp sampling must be done and that derivatives of the hemp are therefore legal, which brings us back full circle to Delta 8.

It should be interesting to see where we go from here.

=====

Craig W. Smalley, MST, EA, is the Founder and CEO of [CWSEAPA, PLLC](#). He has been admitted to practice before the Internal Revenue Service as an Enrolled Agent and has a Master's Certificate in Taxation from UCLA. In practice since 1994, Craig is well-versed in U.S Tax Law and U.S. Tax Court cases, and specializes in individual, partnership, and corporate taxation for high-net-worth clients; entity structuring and restructuring; and representation before the IRS regarding negotiations, audits and appeals. Craig is currently a columnist for CPA Practice Advisor and AccountingWEB and has had 12 books published. His articles have been featured in publications including the Wall Street Journal, The New York Times, and Christian Science Monitor, and he has been interviewed and appeared as a featured guest on numerous radio shows and podcasts. Craig can be reached at craig@craigwsmalleyea.com.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us