**Section 425.135 Books and Records**

a) Every cannabis retailer shall keep books and records of all sales of cannabis, together with invoices, bills of lading, sales records, copies of bills of sale, inventories prepared as of December 31 of each year, or otherwise annually as has been the custom in the specific trade, and other pertinent papers and documents. For purposes of this Section, "records" means all data maintained by the cannabis retailer, including data on paper, microfilm, microfiche or any type of machine-sensible data compilation.

b) All books and records and other papers and documents that are required by the Law to be kept shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees.

c) It shall be presumed that all sales of cannabis are subject to Tax under the Law until the contrary is established, and the burden of proving that a transaction is not taxable under this Part shall be upon the cannabis retailer.

d) Penalties

1) Except for the books and records identified in subsection (e), any cannabis retailer who fails to keep books and records, or fails to produce books and records for examination as required by this Section, is liable to pay to the Department, for deposit into the Tax Compliance and Administration Fund, a penalty of:

A) $1,000 for the first failure to keep books and records or produce books and records for examination; and

B) $3,000 for each subsequent failure to keep books and records or produce books and records for examination.

2) The penalties imposed under this subsection (d) shall not apply if the taxpayer shows that it acted with ordinary business care and prudence.

e) All books and records kept by a cannabis retailer, pursuant to rules adopted by the Department of Financial and Professional Regulation to implement the Act, shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The Department shall also have access to the cannabis retailer's automated data processing and/or point of sale system.