Marijuana Tax Structure

Medical Marijuana
• 2.9% Regular State Sales Tax → Marijuana Tax Cash Fund

Recreational Marijuana
• 2.9% Regular State Sales Tax → Marijuana Tax Cash Fund
• 10% Special State Sales Tax → Marijuana Tax Cash Fund
• 15% Excise Tax → Building Excellent Schools Today Fund

Marijuana Tax Cash Fund
• Dedicated to the regulatory costs of marijuana legalization. Also allocated to policies and initiatives that protect and promote public health, public safety, and keep marijuana out of the hands of kids.
• Our philosophy: MTCF expenditures require a direct nexus with marijuana legalization.

Building Excellent Schools Today (BEST) Fund
• First $40 million raised by 15% excise tax is funneled into BEST, a competitive grant program for school districts and charter schools to construct new schools and renovate existing facilities.
An Overview of Retail and Medical Marijuana Taxes

Retail Marijuana Cultivation Facility

- 15% Excise Tax

Retail Marijuana Store

- 2.9% State Sales Tax
- 10% Special State Sales Tax

Marijuana Tax Cash Fund

- Excise Tax Revenue over $40 million
- (85%) to BEST Program
- (15%) to Local Governments Permitting Retail Marijuana Sales

BEST Program
(Up to $40 million annually)

Medical Marijuana Dispensary

- 2.9% State Sales Tax

Consumers

Local Governments Permitting Retail Marijuana Sales

Medical Marijuana Transactions

Retail Marijuana Transactions
How much revenue has been raised?

• In 2014, the first full year of recreational legalization, the State of Colorado collected more than $63 million in taxes from medical and recreational marijuana sales.

• To date, we’ve collected more than $71 million in revenue:
  
  • Medical Marijuana: $11,672,758
  • Recreational Marijuana: $59,447,627
  • BEST Fund: $15,690,219
Overall Taxes Collected Over Time

Retail and Medical Marijuana Taxes

- Medical 2.9% Sales Tax
- Retail 2.9% Sales Tax
- Retail 10% Special Sales Tax
- Retail 15% Excise Tax

Actual Collections

$0
$1,200,000
$2,400,000
$3,600,000
$4,800,000
$6,000,000
$7,200,000
$8,400,000

January
February
March
April
May
June
July
August
September
October
November
December

2014

COLORADO
Medical vs. Recreational Taxes

Retail and Medical Sales Tax Collections

- Retail 2.9% Sales Tax
- Medical 2.9% Sales Tax

Amount of Tax Collected (in Dollars)

January February March April May June July August September October November December January 2015

$1,100,000

$900,000

$700,000

$500,000

$300,000
MARIJUANA-RELATED SPENDING

FY 2014-15 Funding

- Public Health: $7 million (17%)
- Regulatory Oversight: $14.4 million (34%)
- Substance Abuse Treatment: $7.5 million (18%)
- Youth Marijuana Use Prevention and Deterrence: $10.9 million (26%)
- Statewide Coordination: $0.2 million (0.4%)

Total: $41.8 million

S.B. 14-215 Appropriations: $24.8 million (includes $2.3 million federal matching funds)

Department of Revenue Funding: $14.4 million
Other Appropriations: $2.6 million

FY 2015-16 Request

- Public Health: $6.3 million (20%)
- Regulatory Oversight: $10.8 million (35%)
- Law Enforcement and Public Safety: $2.5 million (8%)
- Substance Abuse Treatment: $2 million (7%)
- Youth Marijuana Use Prevention and Deterrence: $8.9 million (29%)
- Statewide Coordination: $0.4 million (1%)

Total: $30.8 million

Budget Request: $18.0 million (includes $2.2 million federal matching funds)

Department of Revenue Funding: $10.5 million
Other Appropriations: $2.3 million