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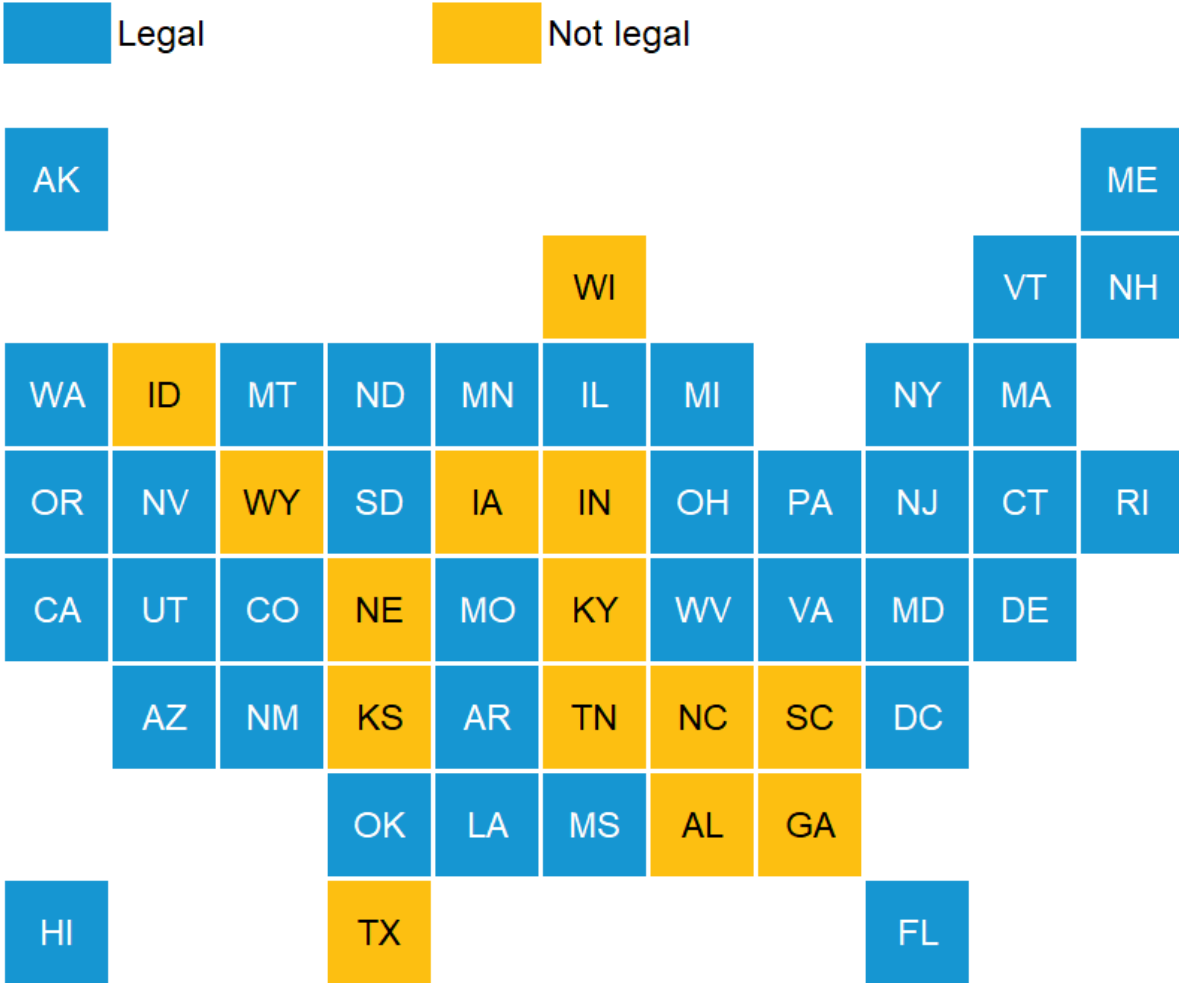
State Marijuana Taxes (Medical and Recreational)

Presentation for the Governor's Council on Tax Reform

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States with Legal Medicinal Marijuana Programs



Source: NCSL

Note: Some states without medicinal marijuana programs allow the sale of low-THC or CBD products. Idaho, Kansas, and Nebraska are the only states with no public access to cannabis products.

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Medical marijuana is legal in 36 states

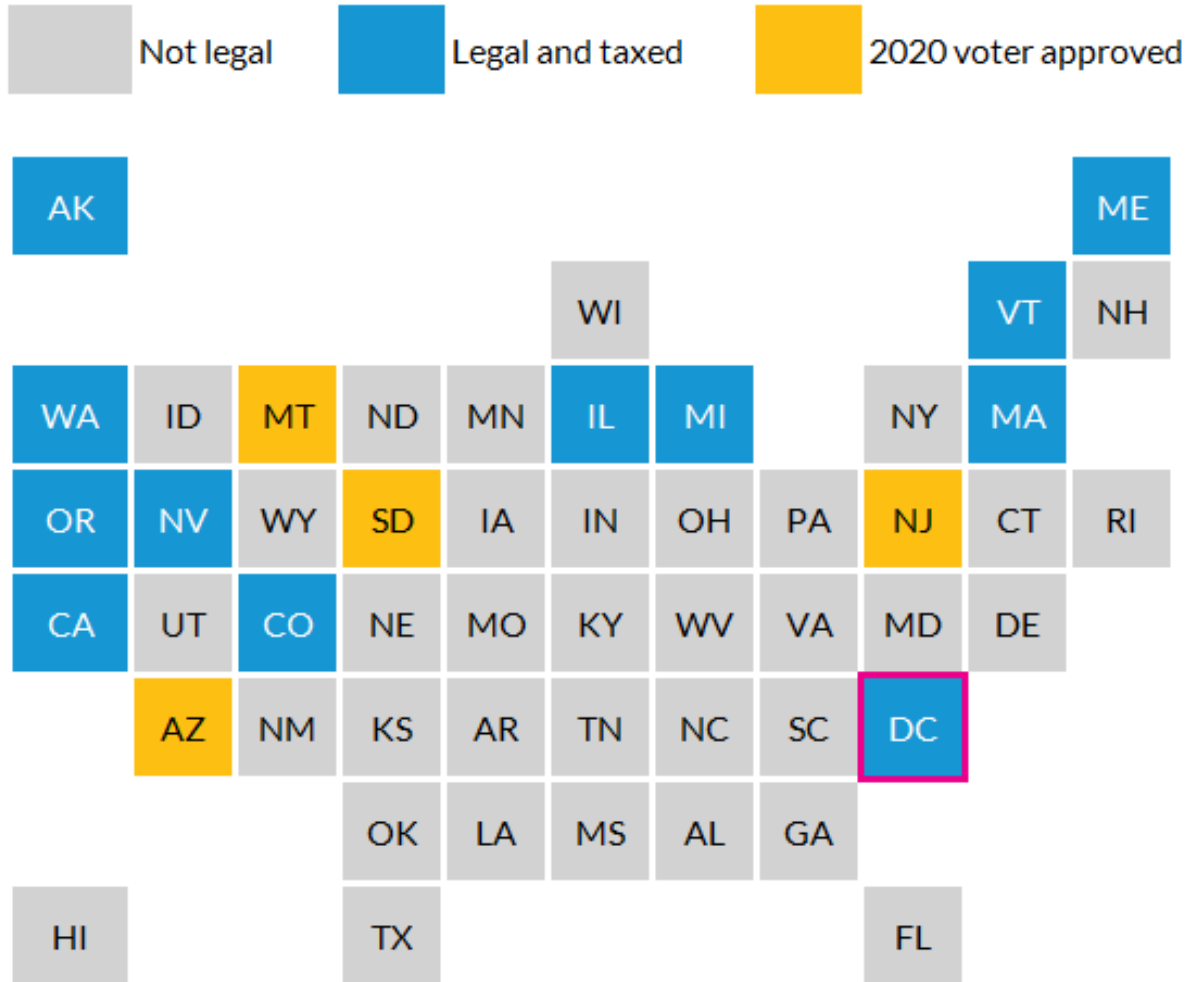
Tax rates on medical marijuana purchases are often the same as or close to the state's general sales tax rate and thus do not raise much revenue relative to taxes on recreational marijuana purchases

Related, there is very little data on tax revenue from medical marijuana sales

Colorado collected roughly \$12 million from levying its general sales tax (2.9%) on medical marijuana in 2020 (compared to closer to \$300 million from taxes on recreational marijuana purchases)

States with Legal and Taxable Marijuana Sales

2020



Although prohibited under federal law, marijuana sales for recreational use are legal and taxed in 11 states

2020 ballot initiatives to legalize marijuana passed in an additional four states: AZ, NJ, MT, and SD

In 2021, states including CT, DE, MN, ND, NY, VA, and WI are considering legal and taxed sales of recreational marijuana

Source: State government websites.

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Note: Marijuana is legal in the District of Columbia but Congress prevents the city from taxing and regulating sales. Medical marijuana is legal in 33 states.

Marijuana taxes and revenue

- There are three main types of marijuana taxes: percentage of price (like a sales tax), weight-based (like cigarette taxes), and taxes based on potency/THC (like alcohol taxes)
 - Rates and approaches vary considerably across states
 - Some states levy multiple types of taxes on marijuana
- Marijuana tax revenue typically accounts for 1% to 2% of state tax revenue
 - In some states it surpasses revenue from taxes on cigarettes and alcohol
 - 2018 calendar year marijuana tax revenue: Alaska \$15 million; California \$354 million; Colorado \$267 million; Nevada \$87 million; Oregon \$94 million; Washington \$439 million