

Recreational Marijuana Tax Revenue Forecast – Experience from Colorado



VERMONT SENATE FINANCE COMMITTEE

**LARSON SILBAUGH
SENIOR ECONOMIST
COLORADO LEGISLATIVE COUNCIL
JANUARY 20, 2016**

**LARSON.SILBAUGH@STATE.CO.US
303-866-4720
WWW.COLORADO.GOV/LCS**

Colorado Tax Structure

	Retail Marijuana	Medical Marijuana
State Sales Tax (2.9%)	✓	✓
Excise Tax (15.0%)	✓	
Special Sales Tax (10.0%)	✓	



Estimating Demand

- Total market marijuana = price x consumption
- Prices = based on medical marijuana
- Total consumption = MJ users x avg. annual consumption
- Visitor consumption



Estimating Demand

- State Population
- Usage rate from federal survey
 - SAMSHA – Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health
- About 500,000 MJ users



Estimating Demand

- Average annual usage
 - survey data – 6.5 ounces per year
- We assumed 3.5 ounces per year

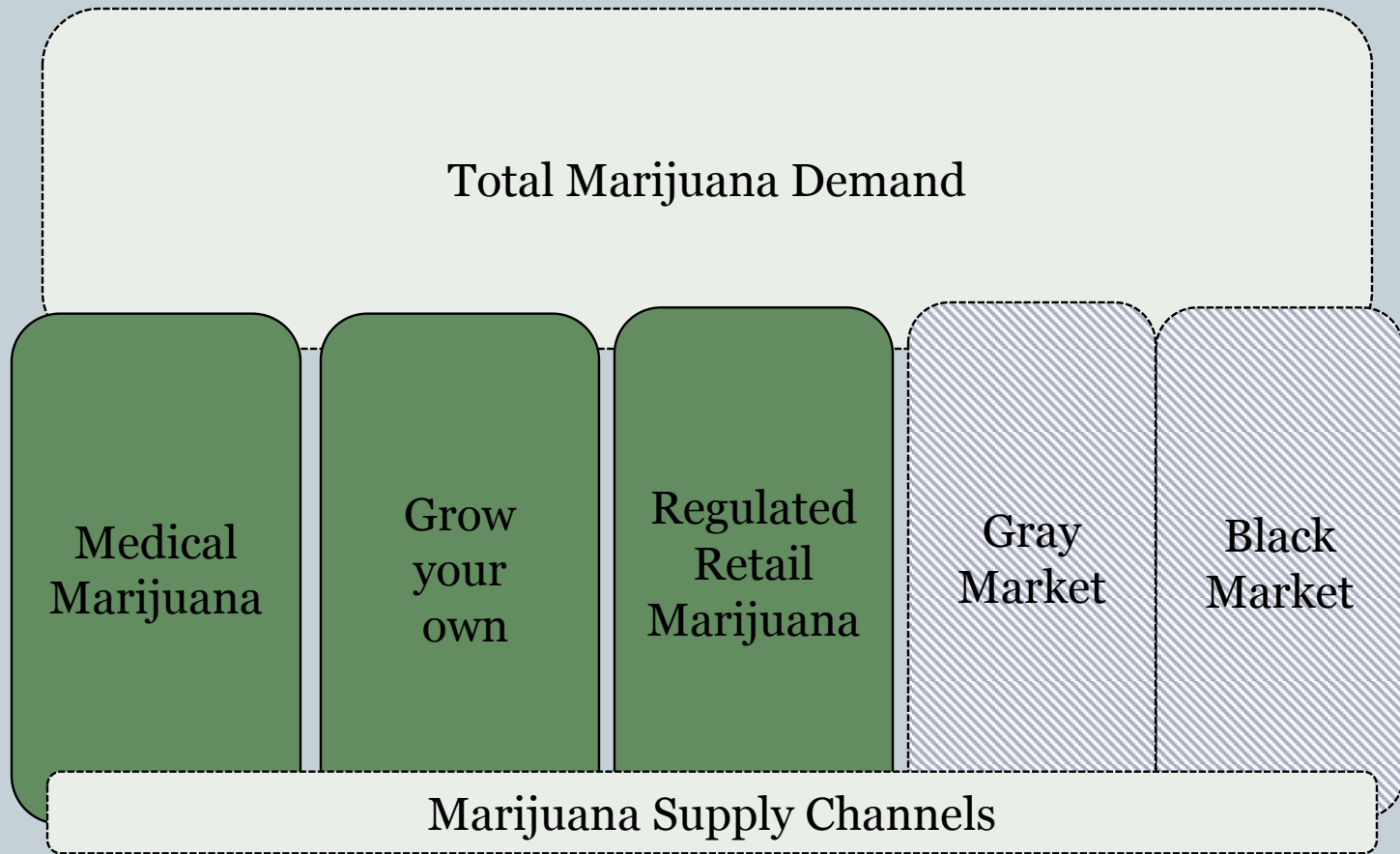


Estimating Demand

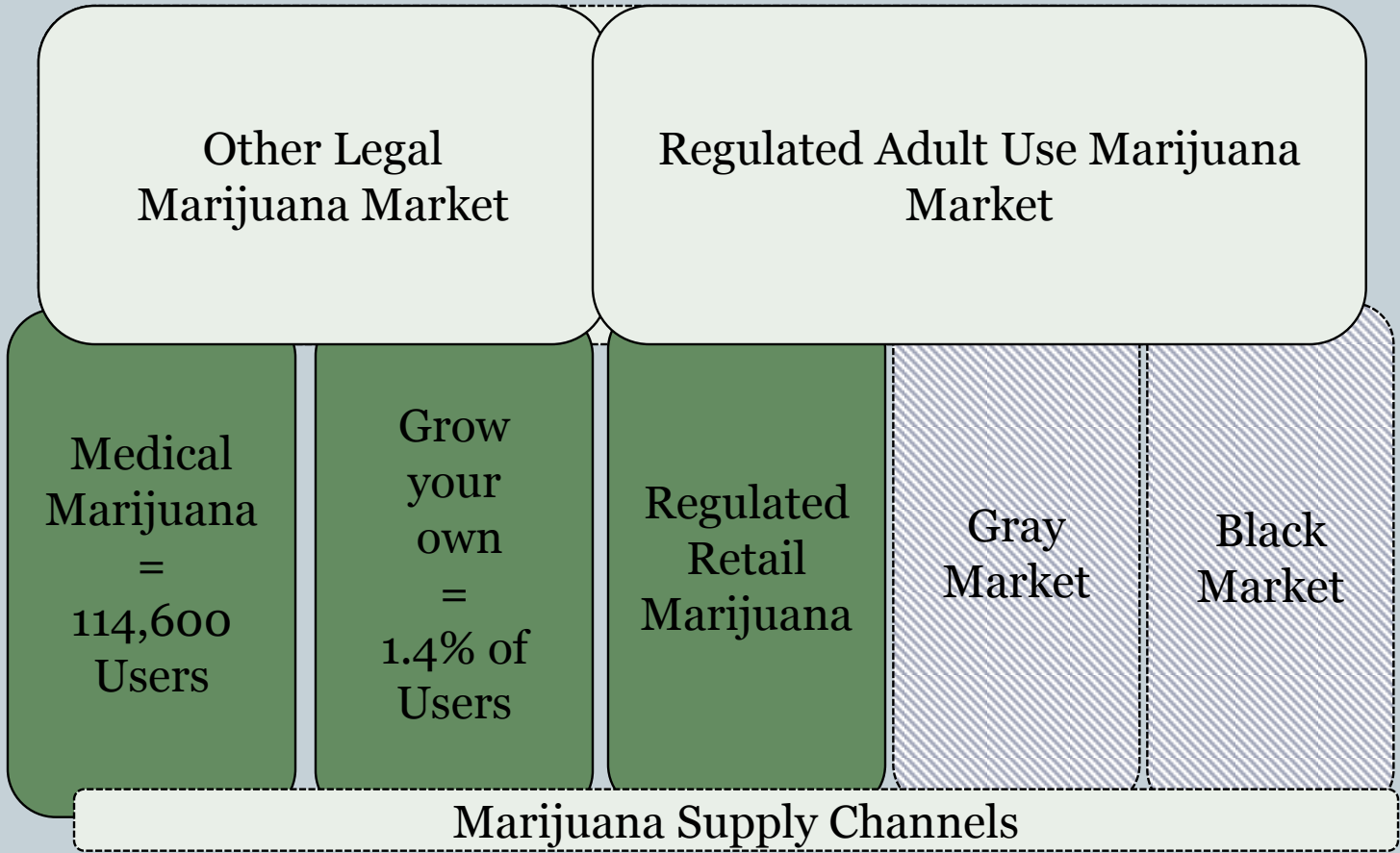
- Visitor consumption
 - Colorado visitors x national usage rate x \$20 (1 gram)
 - Visitors to Amsterdam purchased between \$20 and \$40 per visit



Supply of Marijuana



Supply of Marijuana



Initial Estimate

	Recreational Marijuana	Medical Marijuana
State Sales Tax (2.9%)	✓	✓
Excise Tax (15.0%)	\$27.5 million	
Special Sales Tax (10.0%)	\$39.5 million	



Initial Estimate

Initial Estimate for FY 2014-15, Summer 2013

State Sales Tax (2.9%)

\$67.0 Million

Excise Tax (15.0%)

Actual FY 2014-15
Collections

Special Sales Tax (10.0%)

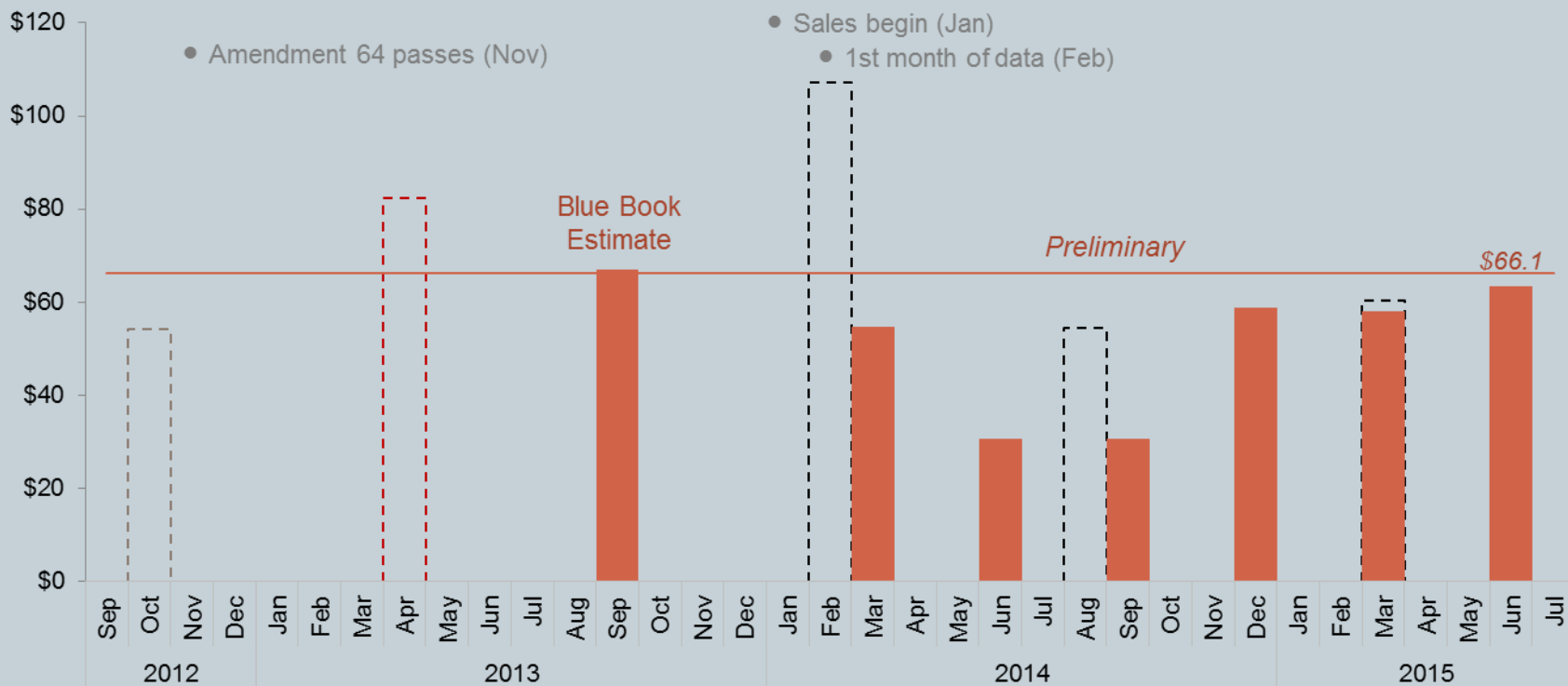
\$66.1 Million

Medical
juana



Revenue Estimates

FY 2014-15 Retail Marijuana Revenue Estimates Over Time



Colorado Center on Law & Policy

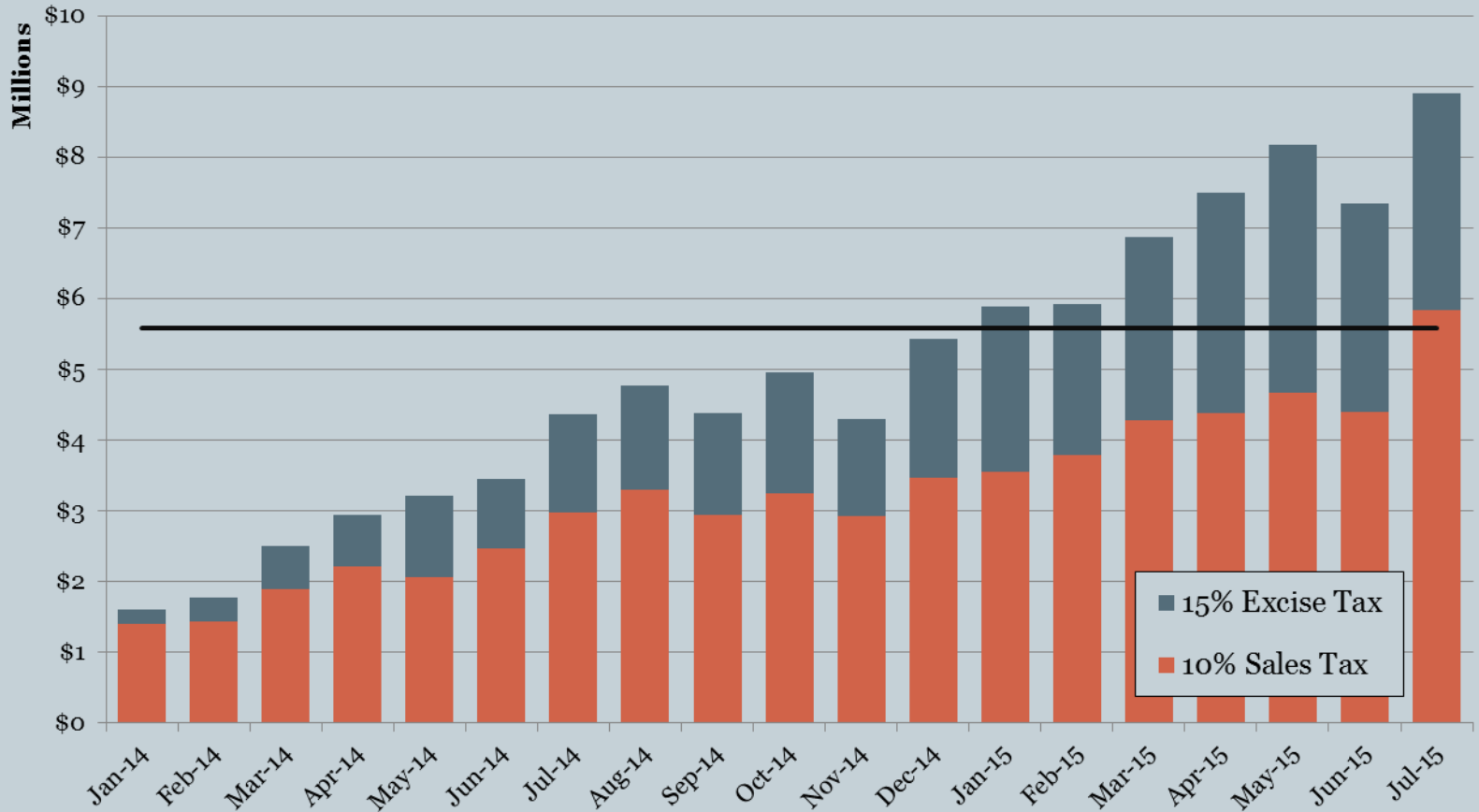
Colorado Futures

OSP/DOR

Legislative Council Staff



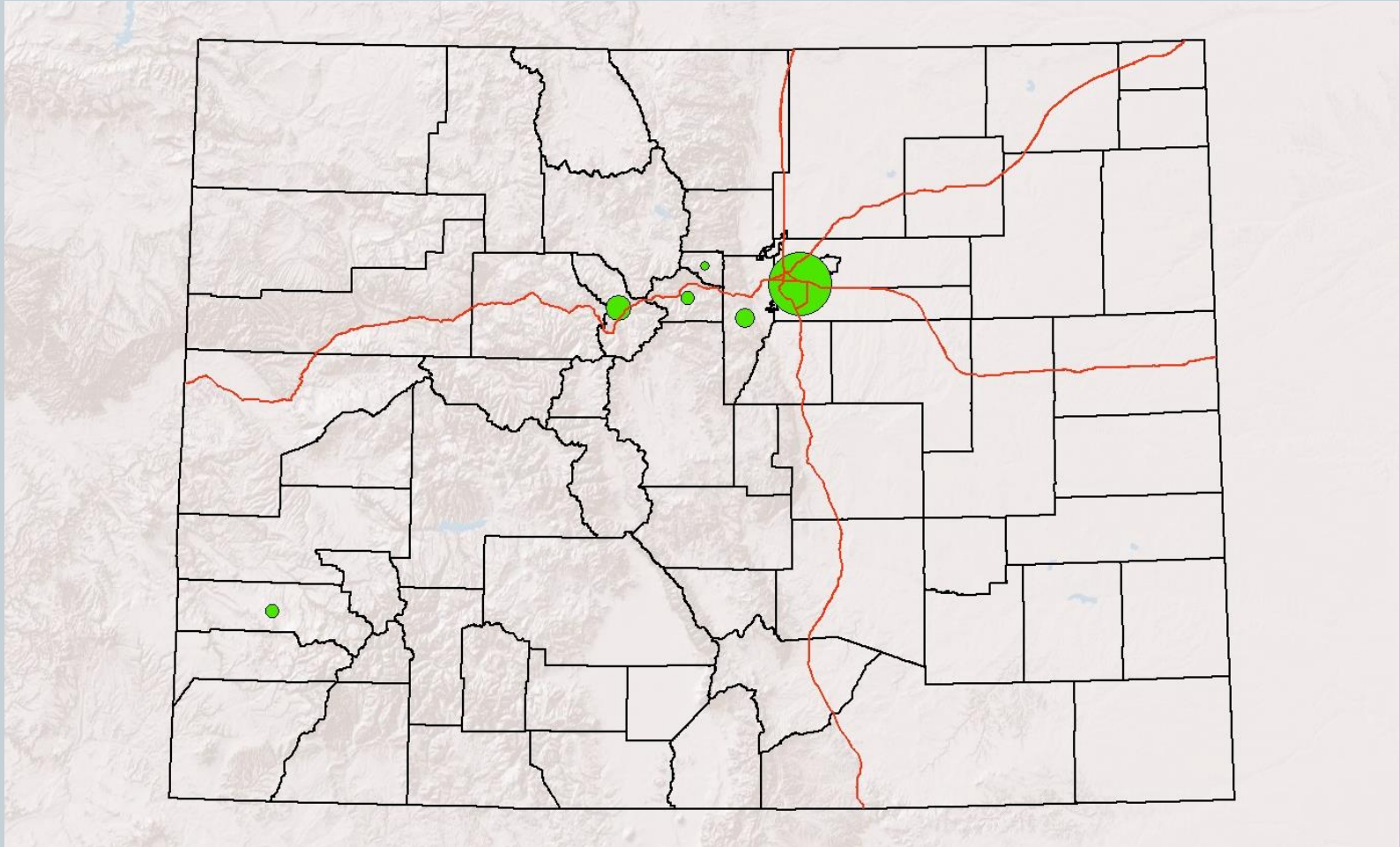
Monthly Tax Collections



Source: CO Department of Revenue



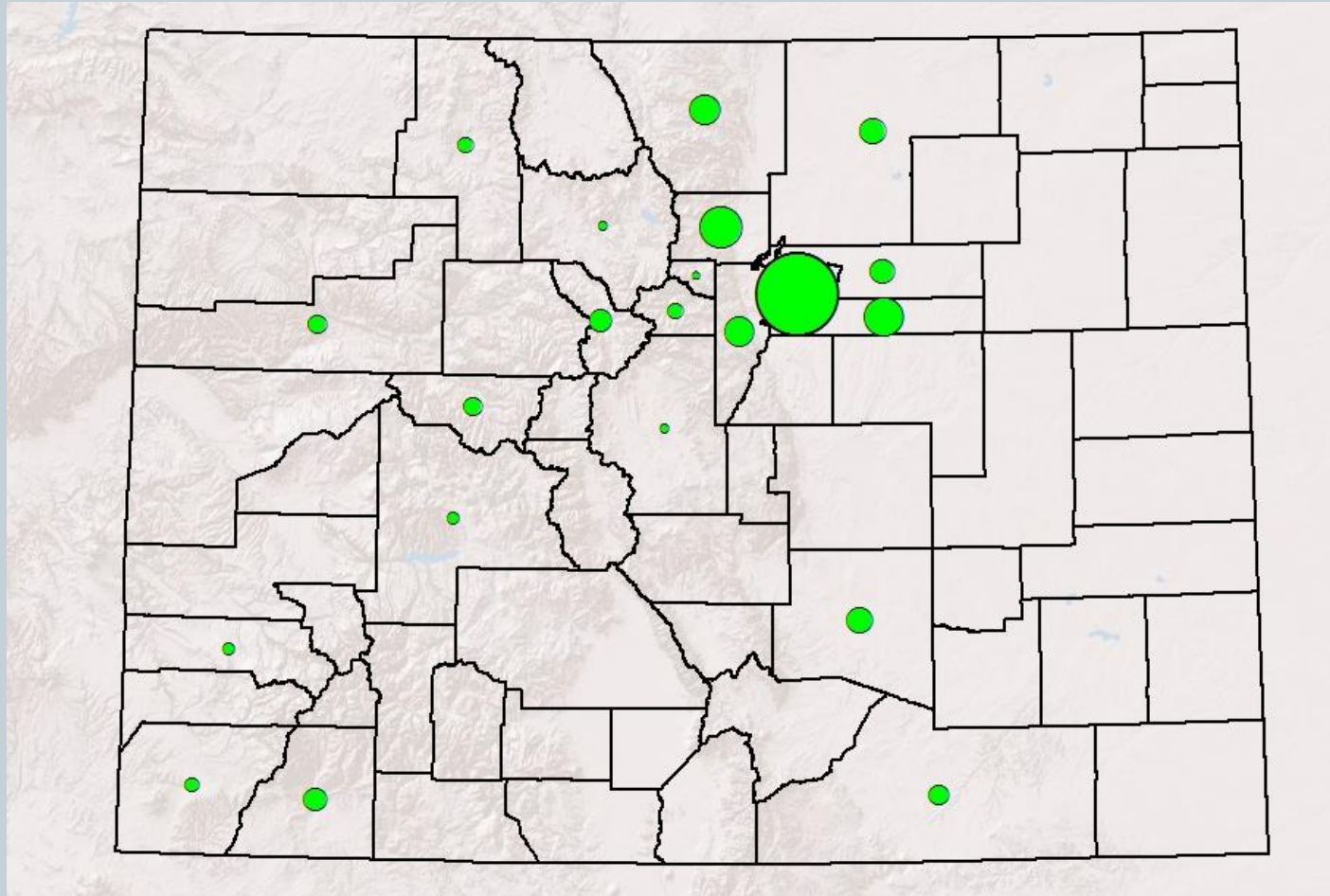
Sales by County – January 2014



Source: CO Department of Revenue, map produced by Legislative Council Staff



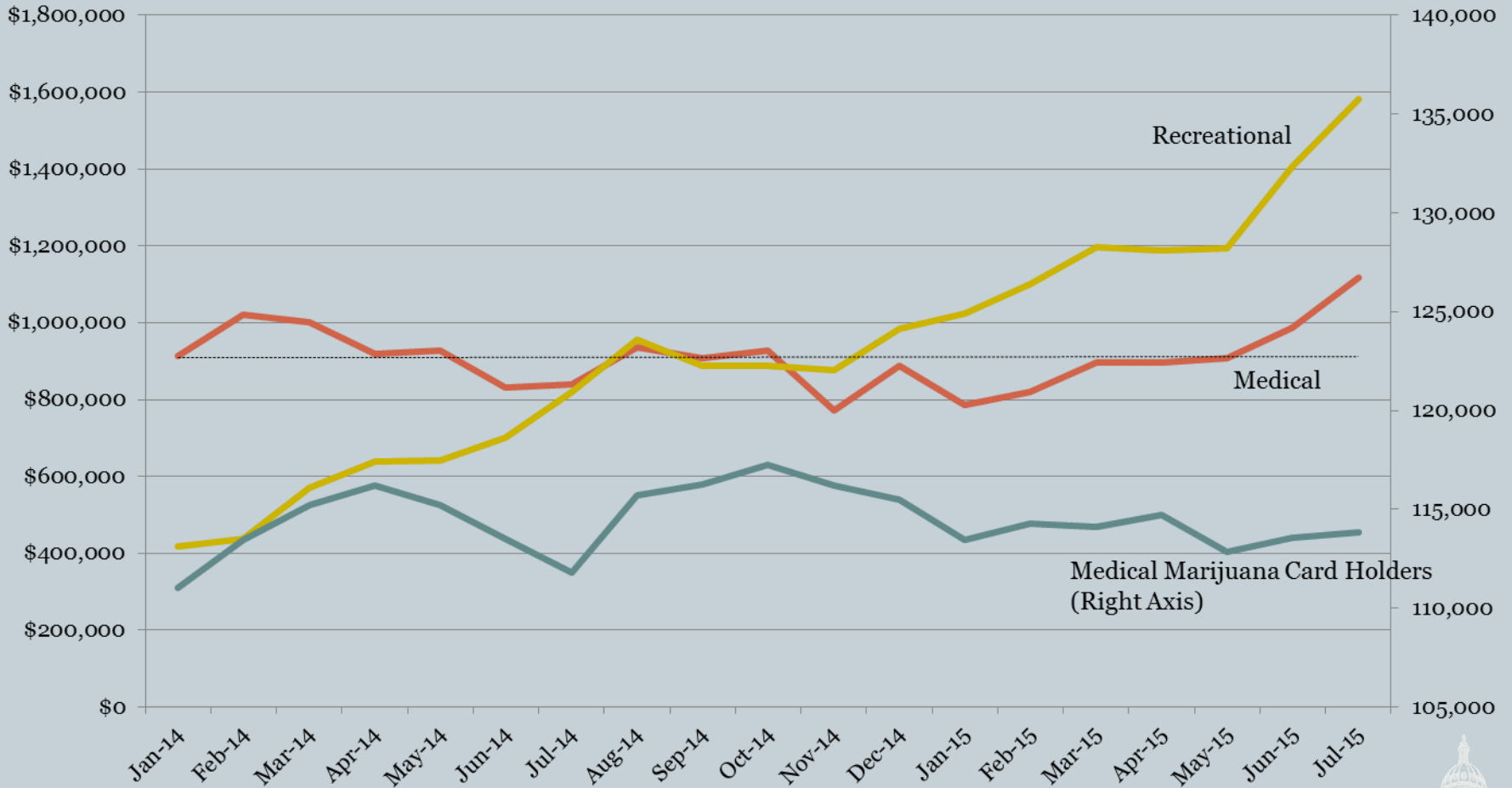
Sales by County – July 2015



Source: CO Department of Revenue, map produced by Legislative Council Staff



Medical vs. Recreational Marijuana Sales



Source: CO Department of Revenue



Questions

