

Updated Revenue Estimates for S.54 House and Senate Versions

The following tables show updated revenue estimates for S.54. Previous estimates for House and Senate versions of S.54 were created at different points and have since become outdated.¹ Since then, JFO has updated the model used for these estimates. **Updates since March 2020 session include:**

- Updated information on consumption
 - A new per-capita consumption estimate from an August 2020 Report on the Vermont cannabis market² was added to the model's consumption average, driving it modestly higher.
- Updated revenue information from Massachusetts
 - Year two revenues from Massachusetts show a maturing market, although due to Covid, revenues in year 2 of sales are likely to be lower.
- Updated usage rates: from the National Survey on Drug Use and Health
- Updated data on cannabis prices across New England States.

These estimates, particularly their timing, will change depending upon when the bill is signed bill is signed into law and when the commission is appointed. These estimates assume that retail sales will begin:

- House version: July 2022 for medical dispensaries that apply for early integrated licenses and November 2022 for all other retail establishments
- Senate version: November 2022 for all retail establishments

¹ Senate version was last estimated in February 2019, House version in February 2020.

² Livingston, Andrew. "Vermont Adult-use Demand, Sales, and Tax Revenue Analysis"
https://www.regulatevermont.org/assets/pdfs/vt_economic_report-2020.pdf

House Version of S.54

S.54 (House) Taxable Sales by Year					
In Millions					
	FY21	FY22	FY23	FY24	FY25
Low	\$0.0	\$0.0	\$23.1	\$48.4	\$63.4
Mid	\$0.0	\$0.0	\$31.4	\$66.8	\$87.6
High	\$0.0	\$0.0	\$41.9	\$90.0	\$118.0
<i>Feb 2020 Mid Estimate</i>	<i>\$0.0</i>	<i>\$1.3</i>	<i>\$30.0</i>	<i>\$50.7</i>	<i>\$63.6</i>

S.54 (House) Excise Tax Revenue (14% Excise Tax)					
Retail 14% Excise Tax Revenue (in Millions)					
	FY21	FY22	FY23	FY24	FY25
Low	\$0.0	\$0.0	\$3.2	\$6.8	\$8.9
Mid	\$0.0	\$0.0	\$4.4	\$9.4	\$12.3
High	\$0.0	\$0.0	\$5.9	\$12.6	\$16.5
<i>Feb 2020 Mid Estimate</i>	<i>\$0.0</i>	<i>\$0.2</i>	<i>\$4.2</i>	<i>\$7.1</i>	<i>\$8.9</i>

S.54 (House) Sales Tax Revenue (Education Fund)					
Sales Tax Revenue (in Millions)					
	FY21	FY22	FY23	FY24	FY25
Low	\$0.0	\$0.0	\$1.4	\$2.9	\$3.8
Mid	\$0.0	\$0.0	\$1.9	\$4.0	\$5.3
High	\$0.0	\$0.0	\$2.5	\$5.4	\$7.1
<i>Feb 2020 Mid Estimate</i>	<i>\$0.0</i>	<i>\$0.1</i>	<i>\$1.8</i>	<i>\$3.0</i>	<i>\$3.8</i>

S.54 (House), Prevention Fund (30% of Excise Tax Revenue)					
	FY21	FY22	FY23	FY24	FY25
Low	\$0.0	\$0.0	\$1.0	\$2.0	\$2.7
Mid	\$0.0	\$0.0	\$1.3	\$2.8	\$3.7
High	\$0.0	\$0.0	\$1.8	\$3.8	\$5.0
<i>Feb 2020 Mid Estimate</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$1.3</i>	<i>\$2.8</i>	<i>\$3.7</i>

S.54 (House), General Fund (70% of Excise Tax Revenue)					
	FY21	FY22	FY23	FY24	FY25
Low	\$0.0	\$0.0	\$2.3	\$4.7	\$6.2
Mid	\$0.0	\$0.0	\$3.1	\$6.5	\$8.6
High	\$0.0	\$0.0	\$4.1	\$8.8	\$11.6
<i>Feb 2020 Mid Estimate</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$3.1</i>	<i>\$6.5</i>	<i>\$8.6</i>

Notes:

- House version allows for medical dispensaries to apply for a license early so retail sales begin slightly earlier than Senate version.
- Fee schedule has yet to be determined, although JFO estimates that fees could range between \$500,000 to \$650,000 per year based upon Massachusetts' experience.
- Local option fee revenue was not estimated

Senate Version of S.54

S.54 (Senate) Taxable Sales by Year					
In Millions					
	FY21	FY22	FY23	FY24	FY25
Low	\$0.0	\$0.0	\$21.8	\$48.4	\$63.4
Mid	\$0.0	\$0.0	\$30.1	\$66.8	\$87.6
High	\$0.0	\$0.0	\$40.5	\$90.0	\$118.0
<i>Feb 2019 Mid Estimate</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$33.8</i>	<i>\$58.1</i>	<i>\$75.6</i>

S.54 (Senate) Excise Tax Revenue (16% Excise Tax)					
Retail 16% Excise Tax Revenue (in Millions)					
	FY21	FY22	FY23	FY24	FY25
Low	\$0.0	\$0.0	\$3.5	\$7.7	\$10.1
Mid	\$0.0	\$0.0	\$4.8	\$10.7	\$14.0
High	\$0.0	\$0.0	\$6.5	\$14.4	\$18.9
<i>Feb 2019 Mid Estimate</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$5.4</i>	<i>\$9.3</i>	<i>\$12.1</i>

S.54 (Senate) Local Option Tax Revenue					
Retail 2% Local Option Tax Revenue (in Millions)					
	FY21	FY22	FY23	FY24	FY25
Low	\$0.0	\$0.0	\$0.4	\$1.0	\$1.3
Mid	\$0.0	\$0.0	\$0.6	\$1.3	\$1.8
High	\$0.0	\$0.0	\$0.8	\$1.8	\$2.4
<i>Feb 2019 Mid Estimate</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.6</i>	<i>\$1.3</i>	<i>\$1.8</i>

Note: all estimates from February 2019 have been pushed forward for comparability

Notes:

- Fee schedule has yet to be determined, although JFO estimates that fees could range between \$500,000 to \$650,000 per year based upon Massachusetts' experience.

Appendix

