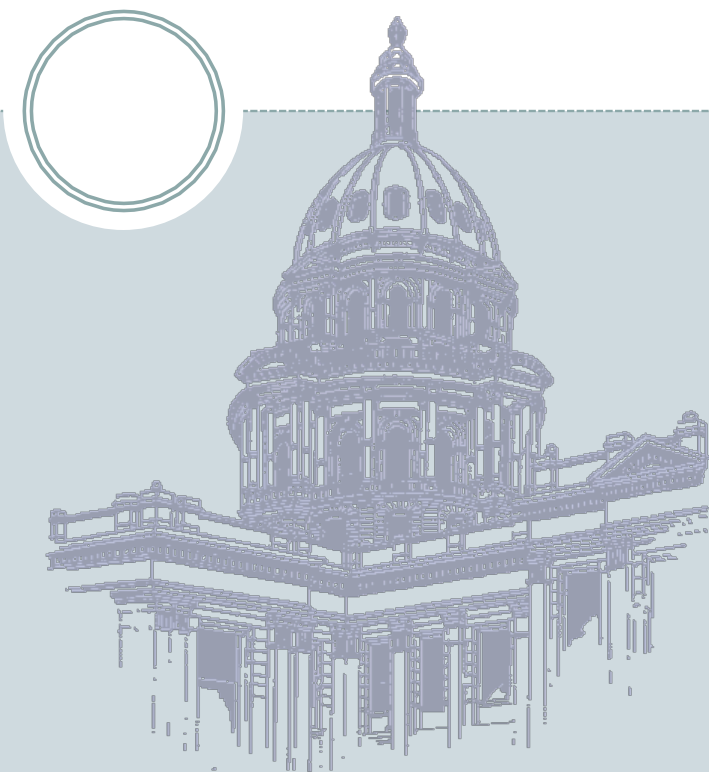


# Recreational Marijuana Tax Revenue Forecast – Experience from Colorado



## **FEDERATION OF TAX ADMINISTRATORS: 2015 REVENUE ESTIMATING CONFERENCE**

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# Colorado Tax Structure

	Recreational 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

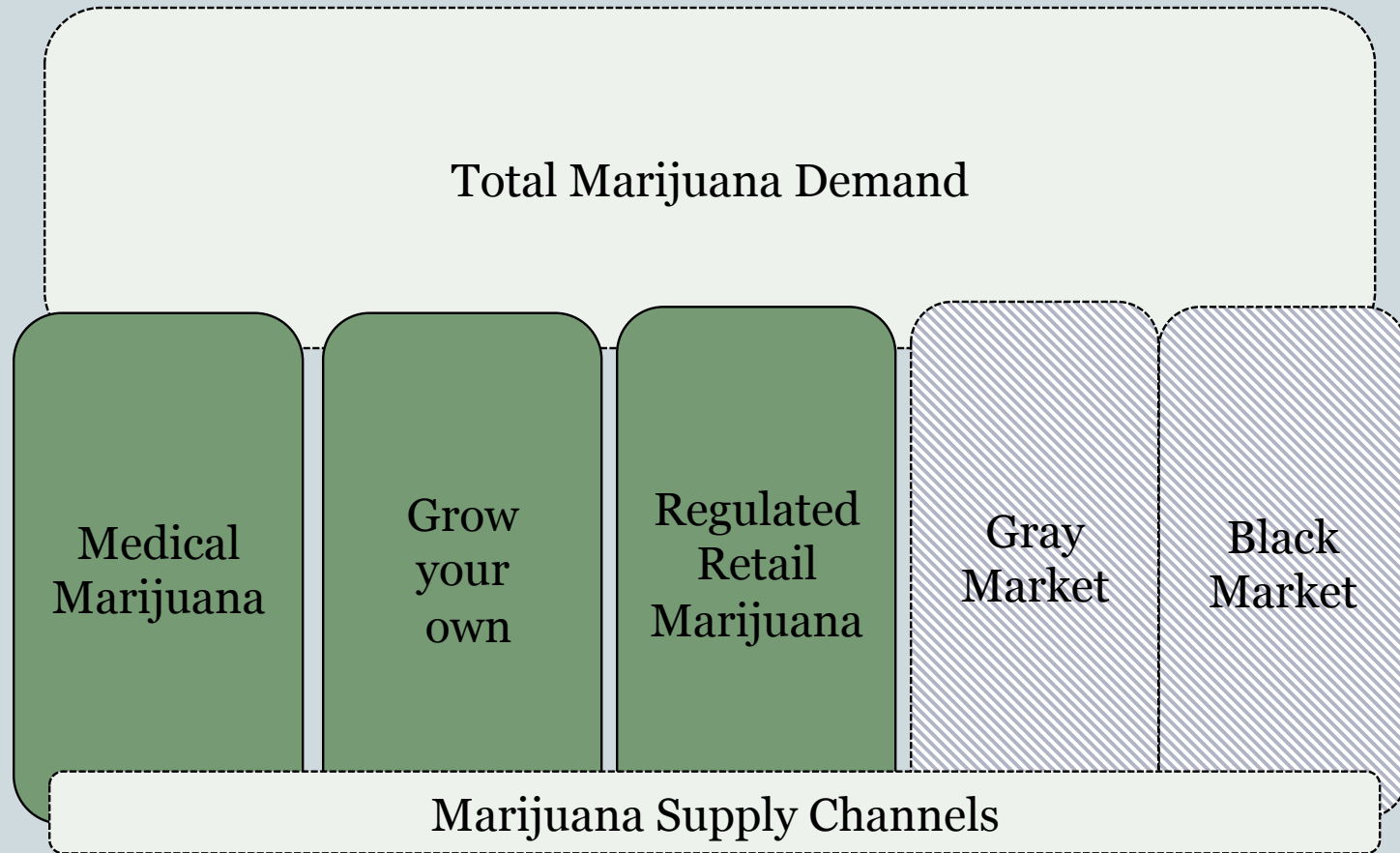


# Estimating Demand

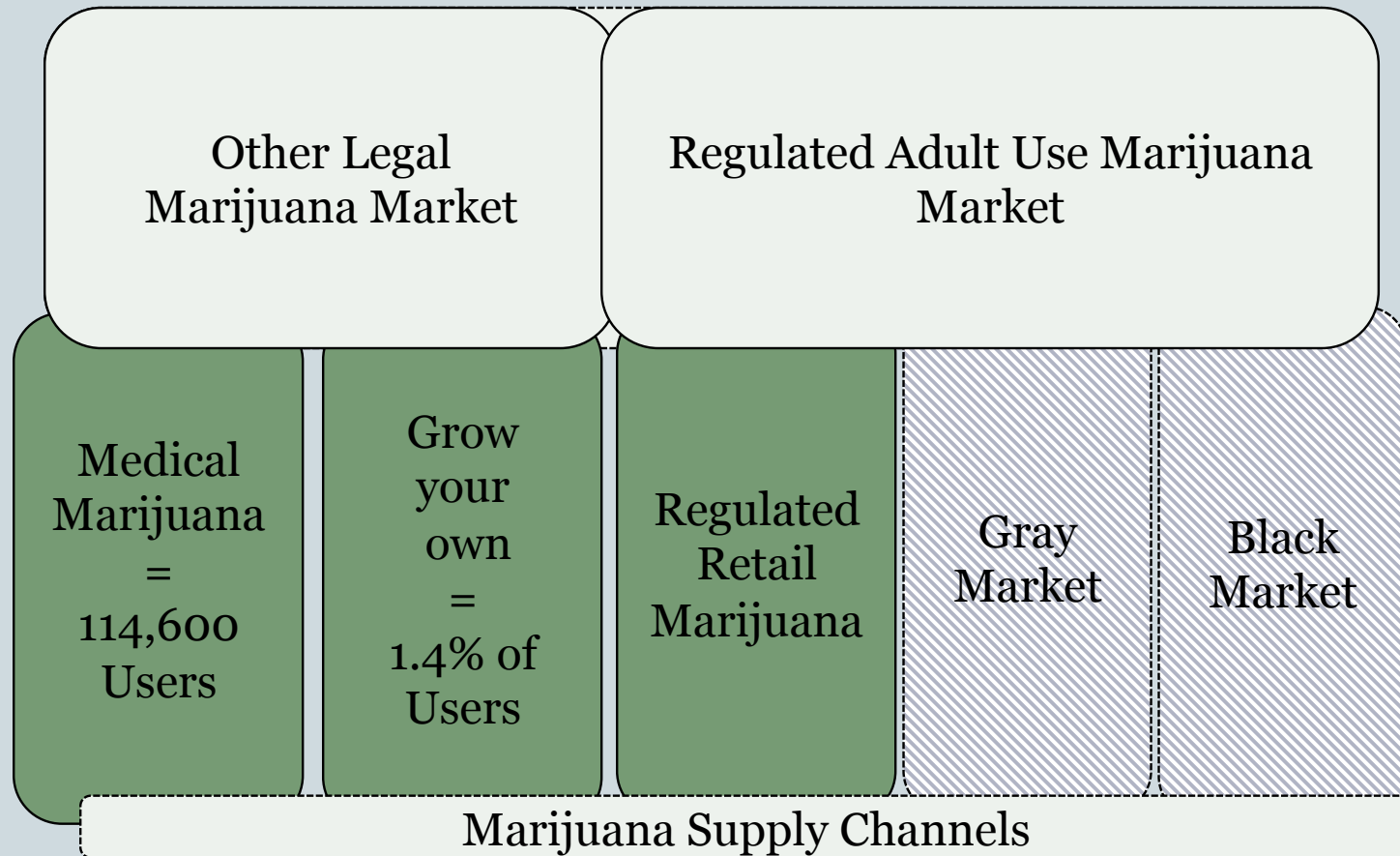
- **Visitor consumption**
  - Colorado visitors x national usage rate x \$20 (1 gram)
  - Visitors to Amsterdam purchased between \$20 and \$40 per visit



# Supply of Marijuana



# Supply of Marijuana





# Initial Estimate

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



# 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

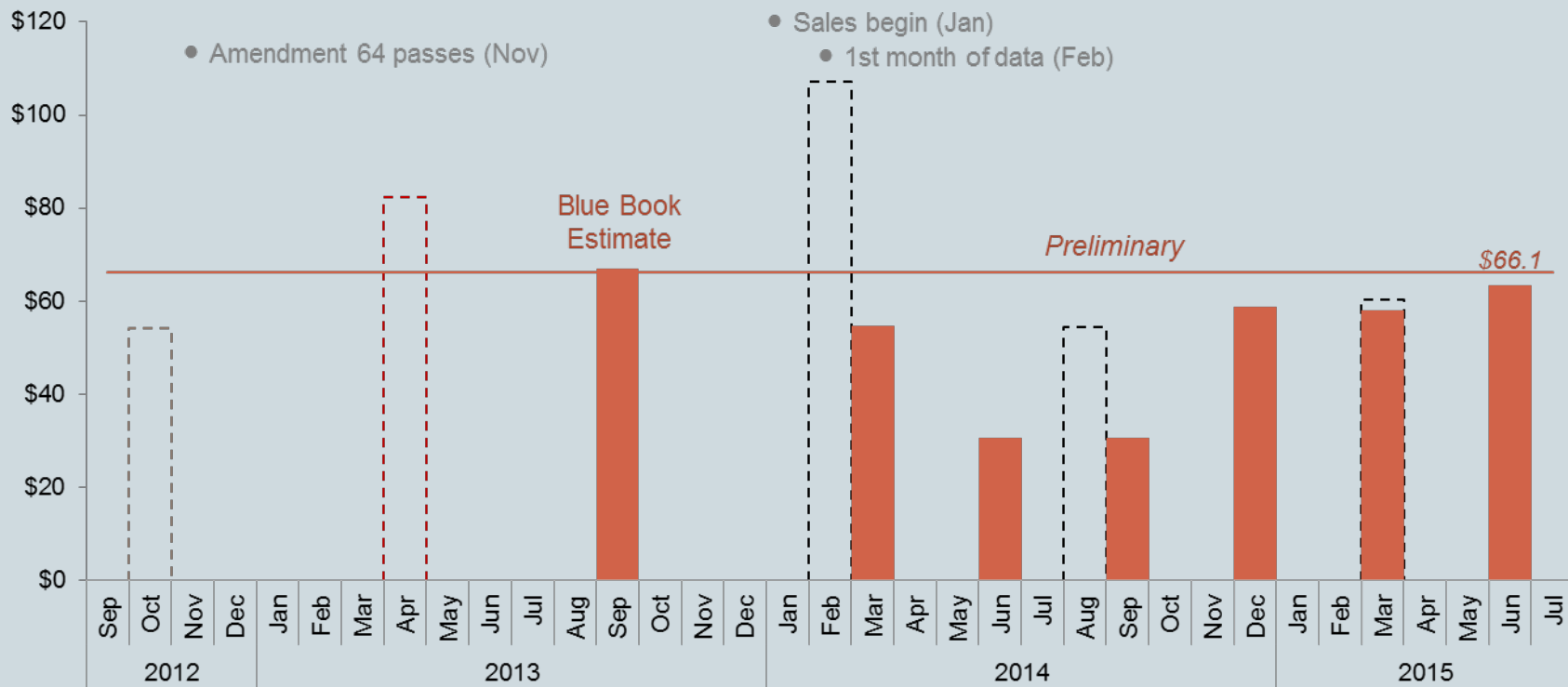
Special Sales Tax (10.0%)

**\$66.1 Million**



# Revenue Estimates

## FY 2014-15 Retail Marijuana Revenue Estimates Over Time



Colorado Center on Law & Policy

Colorado Futures

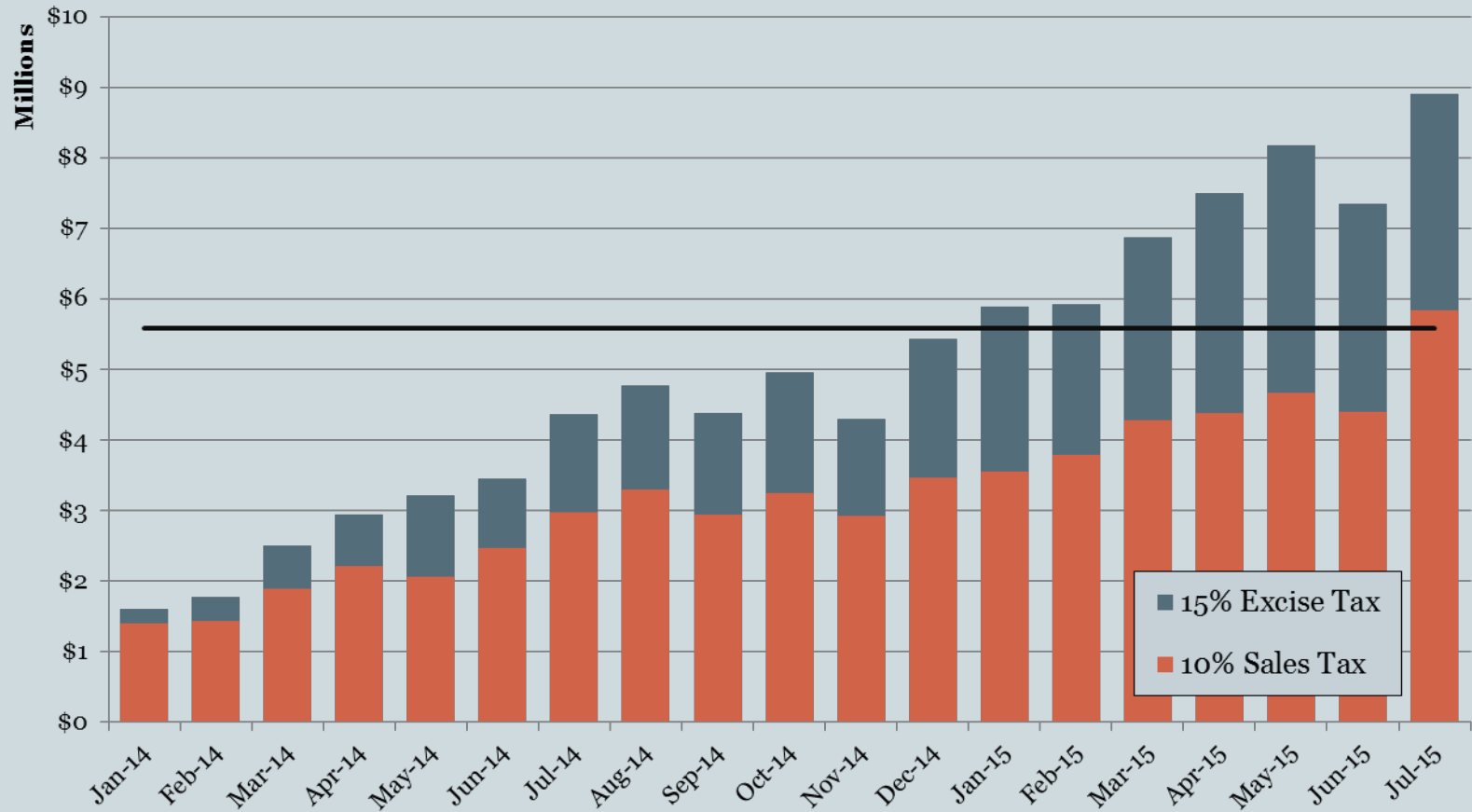
OSP/DOR

Legislative Council Staff

Source: Colorado Legislative Council, CO Department of Revenue, Colorado Center on Law and Policy, Colorado Futures



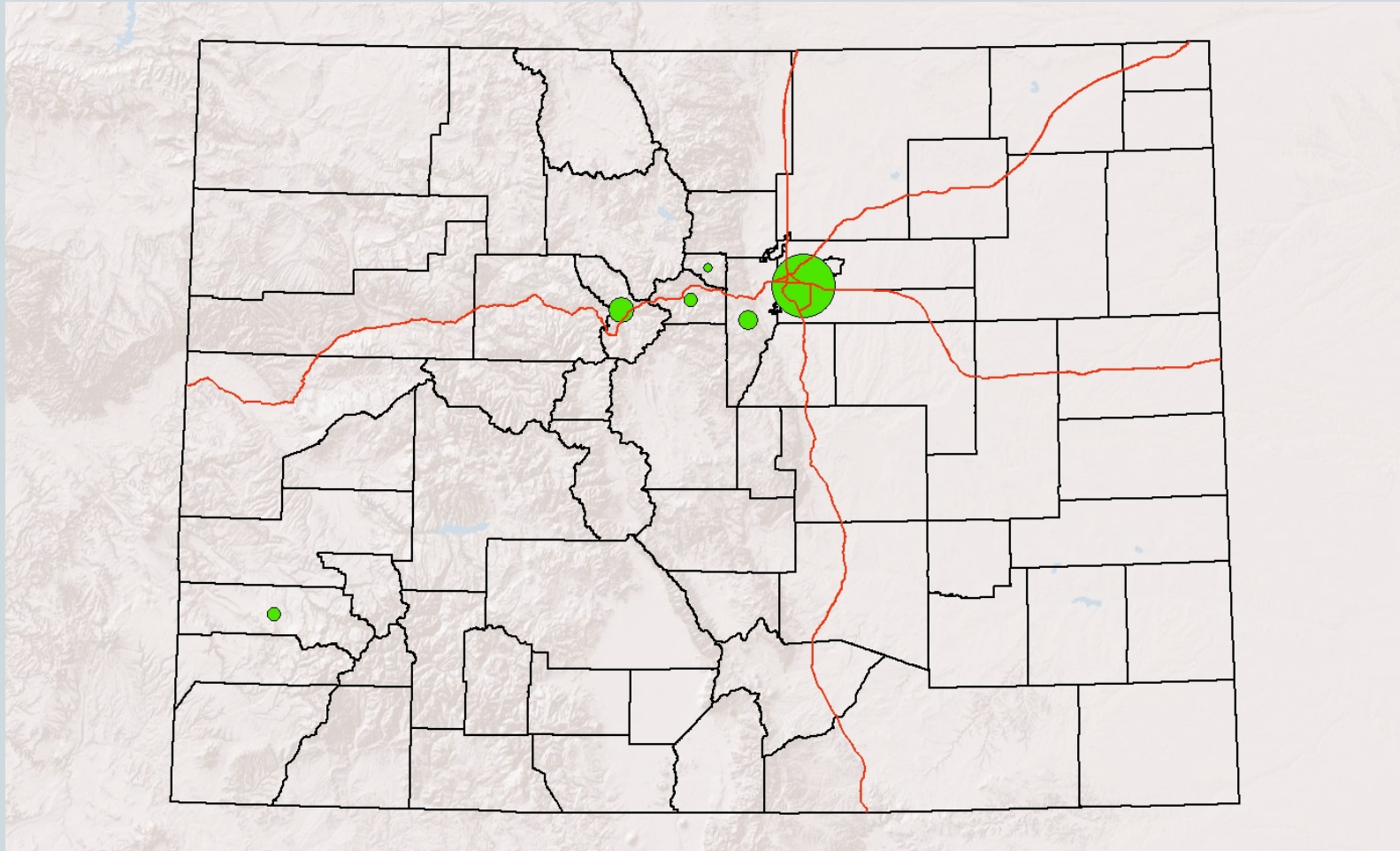
# Monthly Tax Collections



Source: CO Department of Revenue



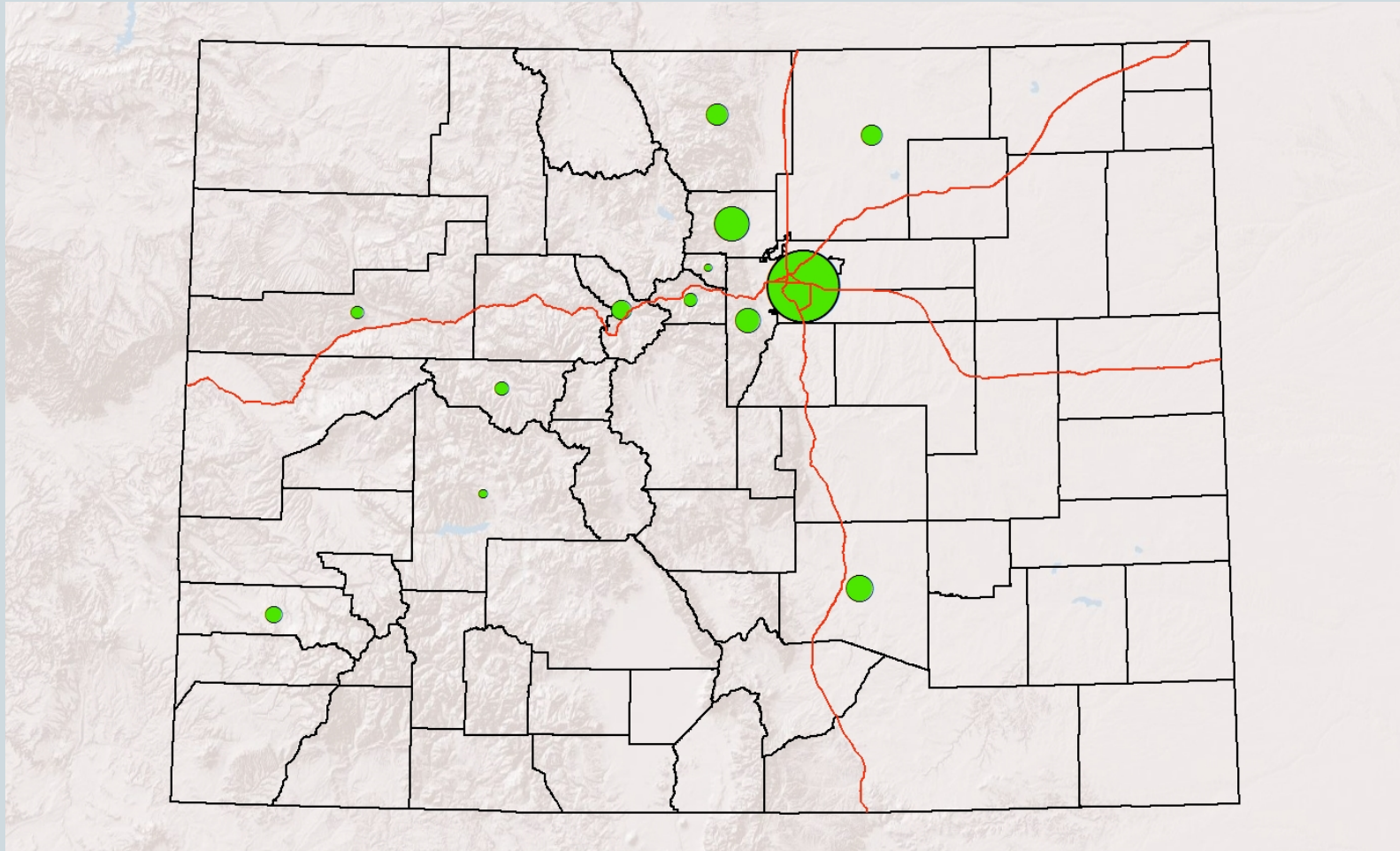
# Sales by County – January 2014



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



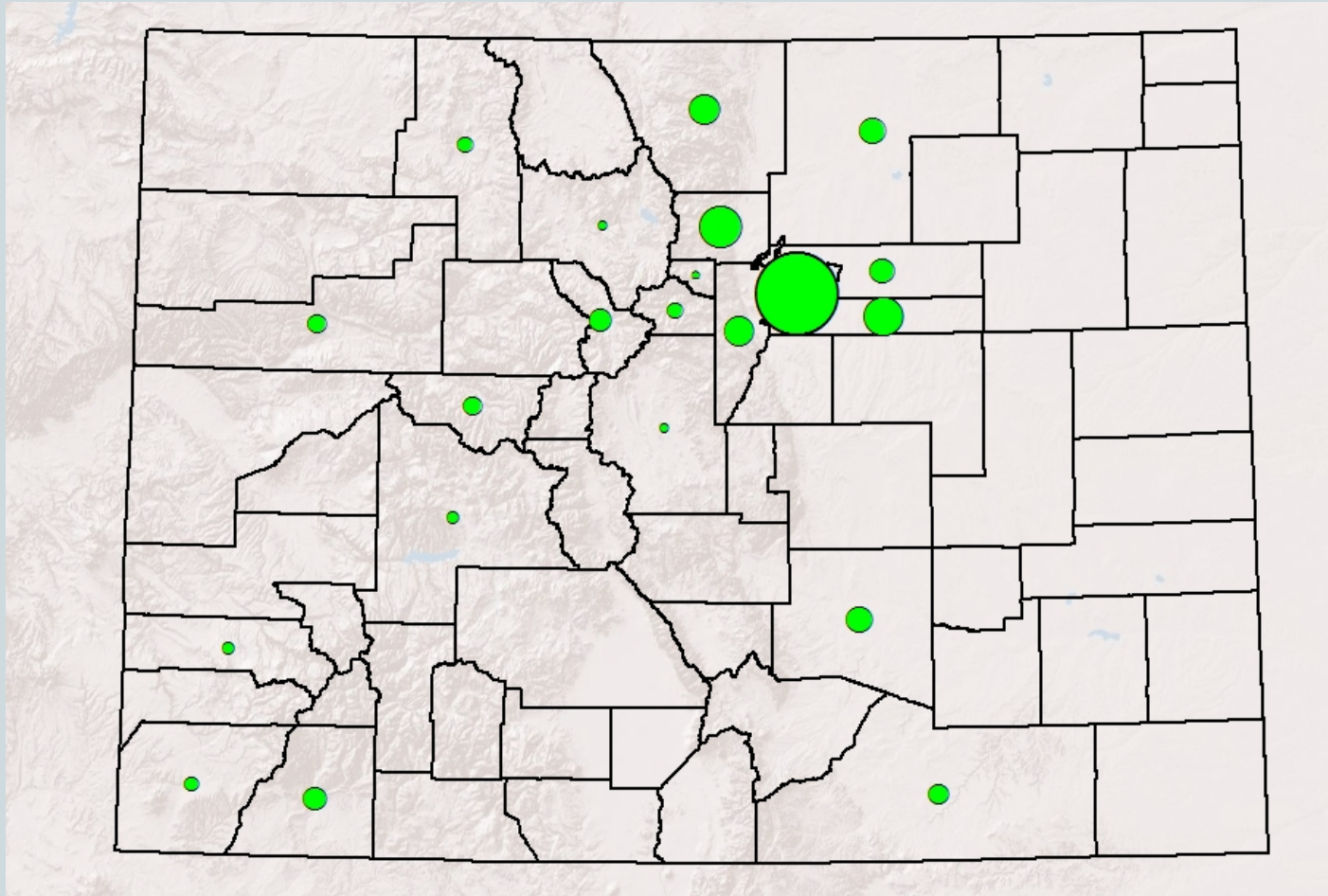
# Sales by County – July 2014



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



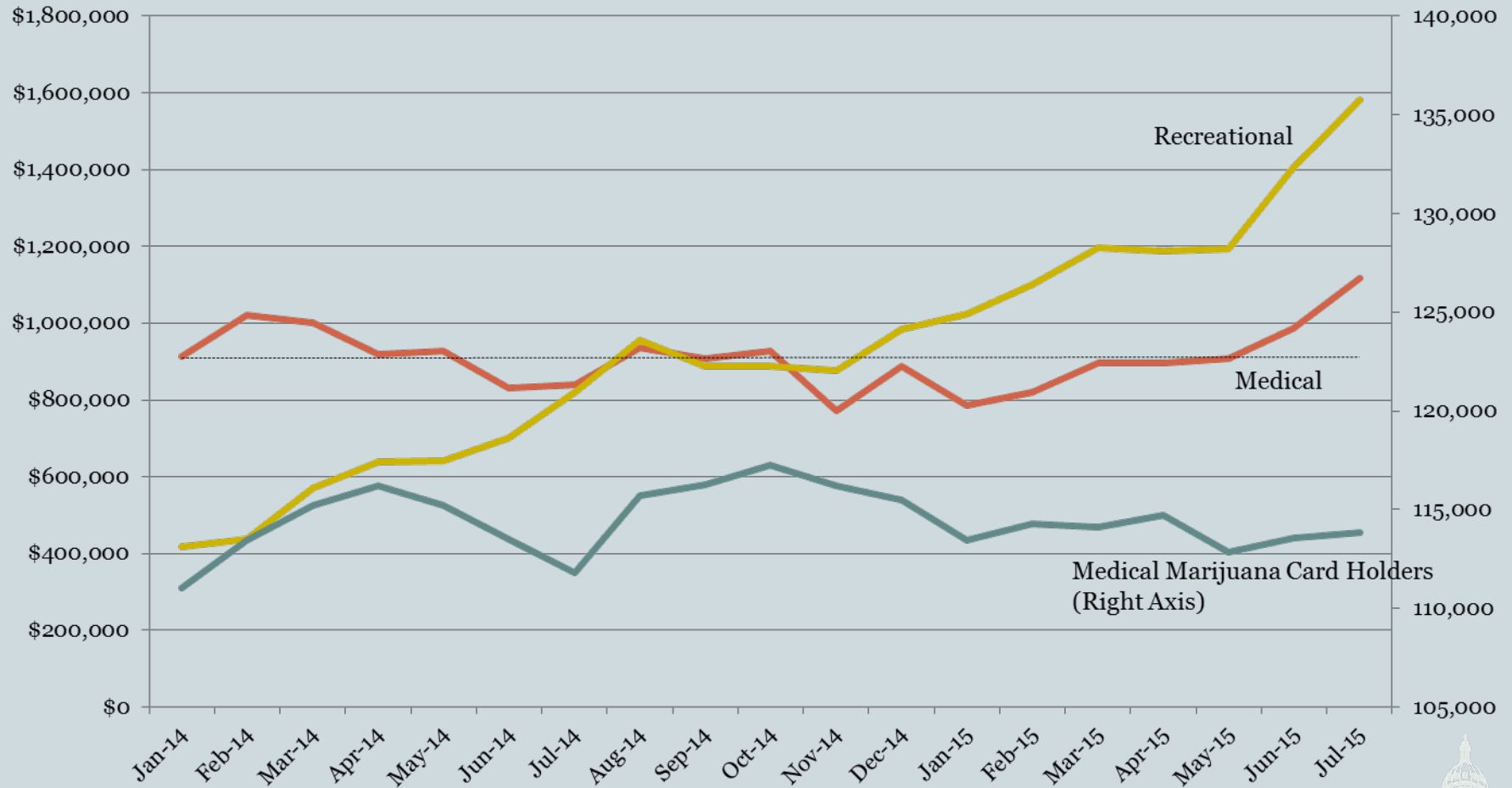
# Sales by County – July 2015



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



# Medical vs. Recreational Marijuana Sales



Source: CO Department of Revenue





# Questions

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