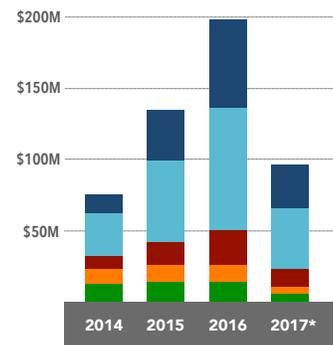


Colorado Exceeds \$500 Million in Cannabis Revenue Since Legalization

The state of Colorado has received more than half a billion dollars in cannabis-related revenue since legal adult cannabis sales began on January 1, 2014. Revenues have been derived from a 15 percent excise tax on wholesale transfers of cannabis for adult use; a 10 percent special sales tax on retail sales of cannabis for adult use; applying the standard 2.9 percent state sales tax to adult-use and medical cannabis; and the application and licensing fees paid by adult-use and medical cannabis businesses. (NOTE: On July 1, 2017, retail sales of cannabis for adult use became exempt from the 2.9 percent state sales tax, and the special sales tax increased to 15 percent.)

Revenue Source (Market)	2014	2015	2016	2017*	2014-2017*
15% Excise Tax (Adult)	\$13,341,000	\$35,060,590	\$61,986,401	\$30,676,572	\$141,064,563
10% Special Sales Tax (Adult)	\$30,364,797	\$57,582,832	\$86,058,176	\$42,555,121	\$216,560,926
2.9% Sales Tax (Adult)	\$8,822,120	\$16,484,635	\$24,545,403	\$12,228,934	\$62,081,092
2.9% Sales Tax (Medical)	\$10,886,966	\$11,451,375	\$12,279,446	\$5,147,097	\$39,764,884
License/Application Fees (Both)	\$12,737,585	\$14,521,031	\$13,652,738	\$5,760,816	\$46,672,170
Total Taxes and Fees	\$76,152,458	\$135,100,463	\$198,522,164	\$96,368,540	\$506,143,635

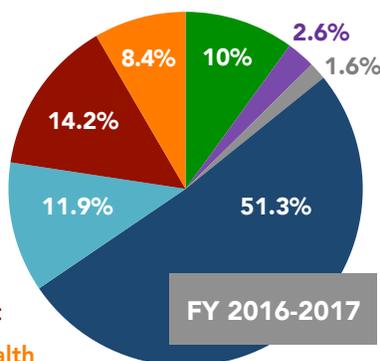


Source: Colorado Department of Revenue

* Through May 31, 2017

How Funds Are Being Used

- Surveys, Research, and Public Education
- Criminal Justice and Public Safety
- Youth Services
- K-12 Education
- Regulation
- Substance Abuse Prevention/Treatment
- Additional Public Health



Highlights from FY 2015-2016 and 2016-2017:

- \$117.9 million was used to fund school construction projects, and an additional \$5.7 million was distributed to the Public School Fund.
- \$5.8 million was allocated for school drop-out prevention programs and bullying prevention and education, plus more than \$4.5 million for grants to increase the presence of school health professionals.
- More than \$16 million was allocated for substance abuse prevention and treatment, and \$10.4 million was used for mental and behavioral health services.

Source: Colorado Legislative Council Staff Issue Brief, July 2016

Additional Local Revenue

In addition to the half-billion dollars raised at the state level, local governments in Colorado are generating significant annual revenue by levying standard local sales taxes on cannabis products, enacting special cannabis-specific taxes, and collecting local application and licensing fees. Localities also receive a portion of the cannabis tax revenue collected by the state government.

Examples of how some Colorado localities are using their cannabis-related revenue:

- In June 2017, Pueblo County used \$420,000 in local cannabis tax revenue to provide college scholarships to 210 local students.
- The Aurora City Council allocated \$1.5 million in cannabis tax revenue to fight homelessness. Funds are also being used to improve roads and help pay for a new recreation center.
- The City of Edgewater has used cannabis tax revenue — which accounted for 20 percent of its budget in 2016 — to repave all of its streets, fix miles of sidewalks, and help fund the construction of a new city complex.