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.)

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

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.

Source: Colorado Legislative Council Staff Issue Brief, July 2016