Recreational Marijuana Tax Revenue Forecast – Experience from Colorado
### Colorado Tax Structure

<table>
<thead>
<tr>
<th></th>
<th>Recreational Marijuana</th>
<th>Medical Marijuana</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Sales Tax (2.9%)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Excise Tax (15.0%)</td>
<td>✓</td>
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</tr>
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<td>Special Sales Tax (10.0%)</td>
<td>✓</td>
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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

Total Marijuana Demand

Medical Marijuana
Grow your own
Regulated Retail Marijuana
Gray Market
Black Market

Marijuana Supply Channels
Supply of Marijuana

Other Legal Marijuana Market
- Medical Marijuana = 114,600 Users
- Grow your own = 1.4% of Users

Regulated Adult Use Marijuana Market
- Regulated Retail Marijuana
- Gray Market
- Black Market

Marijuana Supply Channels
## Initial Estimate

<table>
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Initial Estimate

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Initial Estimate for FY 2014-15, Summer 2013

- **$67.0 Million**
- **$27.5 million**
- **$39.5 million**

Actual FY 2014-15 Collections

- **$66.1 Million**
Revenue Estimates

FY 2014-15 Retail Marijuana Revenue Estimates Over Time

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
Medical vs. Recreational Marijuana Sales

Source: CO Department of Revenue