



## Tax and Revenue Policies on Legal Sales of Marijuana, by State - Updated February 28, 2017

	State	Application and/or Registration Fee	Taxes	Revenue	Distribution of Tax Receipts (if earmarked) and other notes.
1	Alaska	\$25 patient registry fee/\$20 renewals (no dispensaries)	N/A	none	Recreational sales set to begin with tax of \$50 per ounce. Medical marijuana not taxed. Half of the revenue from recreational sales will go to new criminal justice reform
2	Arizona	\$5,000 application fee, \$1,000 for renewal	5.6% sales tax, plus local taxes	State does not track receipts. Initial estimate of \$40 million.	
3	Arkansas	\$7,500 application fee, renewal fee yet to be determined (18).	6.5% state sales tax plus local taxes	\$2.5 million estimated but estimates have been questioned by policy-makers.	Revenue from sales tax distributed as follows: 5% to Department of Health, 5% for regulation, enforcement and the Medical Marijuana Commission, 10% to the skills development fund, 50% to the Vocational and Technical Training Special Revenue Fund and 30% to the General Revenue Fund. (26)
4	California	Varies, all licensing is local until early 2018	15% excise tax for both medical and recreational. This is on top of ordinary state sales tax of 7.5% plus local taxes. Medical marijuana users exempt from the ordinary state sales tax. In addition, proposition 64 which recently passed imposes a cultivation tax of \$9.25 per ounce for flower and \$2.75 per ounce for leaves. (23)	\$50.5 million through June 2016. (2) Due to glitch in proposition 64, it appears that medical sales are exempt from all taxes until the 15% excise tax takes effect in 2018. (35)	Revenue from preexisting sales taxes not earmarked. (2) New revenue from additional taxes imposed by proposition 64 are earmarked for administration and enforcement, research, education, treatment and prevention programs. In addition, funds will be used to develop protocols for driving under the influence and for mitigating environmental damage resulting from cultivation practices. (23)

5	Colorado	Applications: \$6,000 to \$14,000 for medical marijuana centers, \$1,000 for infused product manufacturers Registrations: \$3,000 to \$11,000 for centers, \$2,200 for infused product manufacturers Renewals: \$3,300 to \$11,300 for centers, \$2,500	2.9% state sales tax, also local taxes	\$6.4 million from 2.9% state sales tax on medical marijuana as of November 2016. (36)	Revenue from medical and retail marijuana sales go to the Marijuana Tax Cash Fund which is earmarked for prevention, treatment and enforcement. (12)
6	Connecticut	Applications: \$1,000 for dispensaries; \$25,000 for producers Permit and annual renewal fees: \$5,000 for dispensaries; \$75,000 for producers "at least every 5 years"	Exempt from 6.35% state sales tax (4). (Note that this is a recent change in interpretation.)		Revenue from patient and grower/processor fees deposited into the state's general fund, earmarked to the Palliative Marijuana Administration Account. Held in trust. Balances carried forward to the succeeding fiscal year. Amounts in the account shall be expended only for the purpose of providing funds to the Department of Consumer Protection for administering the program. (37)
7	Delaware	\$5,000 compassion center application fee; \$40,000 compassion center certification and biennial renewal fee	Gross receipts tax if above \$1.2 million in revenue	Not available.	
8	Florida	To be determined during rule-making and in implementing legislation.	6% state sales tax plus any local taxes.	\$3.1 million projected for fiscal year 2017-18 (17) per the state's Revenue Estimating Conference but this amount will likely increase dramatically once constitutional amendment is	Revenue deposited into the state's general fund.
9	Hawaii	\$80,000 initial license fee for dispensary; \$50,000 annual renewal fee. \$35 patient registration fee. (31, 32)	Standard general excise tax of 4.5% for Oahu and 4% for other islands will apply. (31)	No projection available. (The Hawaii Dispensary Alliance projected \$15-20 million for 2016, and \$50 million by 2018 38)	Ordinary excise tax not earmarked but all regulatory and patient registration fees go to a new medical marijuana registry and regulation special fund to pay costs of regulatory functions and to support public education and substance abuse prevention programs. (32)
10	Illinois	Applications: \$5,000 for dispensary centers; \$25,000 for cultivation centers License fees: \$30,000 per dispensary; \$200,000 per cultivation center Annual renewal fees: \$25,000 per dispensary; \$100,000 per cultivation center	7% excise tax at wholesale level and 1% sales tax (19)	\$463,322 for 2016 partial year collections. (20)	Revenue deposited into the Compassionate Use and Medical Cannabis Fund to cover costs of regulation and enforcement.

11	Maine	\$15,000 application fee, \$14,000 refunded to applicants that aren't chosen; \$15,000 renewal fee	5% sales tax and 8% meals and rooms tax on edible products 21. In addition, recent constitutional amendment allowing recreational sales imposes a 10% sales tax.24	\$1.29 million for 2015. (6) New revenue projected at \$2.8 million for FY 2017-18 increasing to \$10.7 million in subsequent years. (24)	Revenue deposited into the state's general fund. (24)
12	Maryland	Application fees (in two stages): for growers and processors \$6,000; for grower/dispensaries: \$11,000; for dispensaries only: \$5,000; Annual license fees: for growers: \$125,000; for dispensary/growers: \$165,000; for processors: \$40,000; for dispensaries: \$40,000	Likely not taxed, state sales tax does not apply to medicine		Program to be implemented sometime in 2017. Currently Maryland has issued 15 pre-approvals to growers, 15 pre-approvals to processors, and 102 pre-approvals to dispensaries. Revenue is to be deposited into the General Revenue fund. (39)
13	Massachusetts	\$1,500 stage 1 application fee; \$30,000 stage 2 application fee; \$50,000/year license registration fee	Medical marijuana sales are not taxed. Recently passed ballot initiative imposes a 3.75% excise tax on top of sales tax and allows for local government to add an additional 2% tax. (25)	No official revenue estimate of new excise tax. (25)	Proposed ballot initiative for recreational marijuana creates special fund. Supporters have until July 2016 to collect sufficient signatures. (13) The ballot initiative subsequently passed. Revenue from the state excise tax will be deposited into a trust fund to be used for admistration of the new law. (25)
14	Michigan	Regulatory fees will be established sufficient to offset costs or regulation.	3% excise tax on retail sales (33)	Yet to be implemented.	From the excise tax, 30% goes to state, 30% to counties with a facility, 25% to cities with a facility, 5% to the Michigan State Police, 5% to county sheriffs, and 5% to law enforcement standards commission. Of the 30% going to the state, dollars to general fund through September 2017 and starting October 2017 into a fund for workers' compensation benefits for fire fighters with cancer. (33 34)
15	Minnesota	\$20,000 manufacturer application fee; the annual fee is not yet set, but is expected to be between \$75,000 and \$100,000. (Per media reports, the manufacturers' annual fee was increased from \$94,000 to \$146,000 last year. (40)	Medical marijuana sales are not taxed	Loss of over \$500,000 in 2015. The program needs extra state funding to cover the costs of its patient database and inspections of drug manufacturers. (40)	One of the most restrictive medical marijuana laws in the country. (40)
16	Montana	\$75 new and renewal provider fee for patients and \$50 fee for marijuana infused products provider card. Dispensaries not allowed. (16)	Medical marijuana not taxed.		Governor has proposed a 6% sales tax and a proposal filed by state Rep. would tax at 21% for drug addiction programs and 3% to subsidize medical marijuana for low-income

17	Nevada	\$5,000 medical marijuana establishment application fee; \$3,000 cultivation facility certification fee; \$3,000 edible marijuana products or marijuana-infused product establishment certification fee; \$5,000 independent testing laboratory certification fee; \$30,000 medical marijuana dispensary certification fee	6.85% to 8.1% state and local sales tax likely applies, in addition to a 2% excise tax for wholesale sales and 2% excise tax for retail sales of marijuana. An additional excise tax of 15% applied to value of wholesale sales by a cultivation facility. (22)	Revenue from marijuana sales not broken out for FY 2014-15. (7)	25% of excise tax distributed to Department of Health and Human Services and 75% to schools. State and local sales taxes not tracked and not earmarked. Revenue collected from the newly imposed 15% excise tax is first used to pay state and local costs of regulation and enforcement with the remainder going to the public school system.
18	New Hampshire	\$3,000 request for application fee; annual registration: \$80,000 or \$40,000 (payable in stages), depending on the geographic area where the center is located.	New Hampshire does not have a sales tax		Proceeds from licensing fees deposited into registry identification card and certificate fund to pay costs of regulation. (17)
19	New Jersey	\$20,000 dispensary fee each year, \$2,000 for unsuccessful applicants. Currently not accepting dispensary applications. Held at 6 dispensaries. Patient and caregiver registration fee \$200 for 2 (41)	7% sales tax	FY 2016 Estimated revenue \$170,000 (42)	
20	New Mexico	\$1,000 application fee for producers, annual producer fee from \$5,000 to \$30,000	Gross receipts tax (5.125% to 8.8675% depending on location in state)	\$613,253 third quarter 2015 and \$768,605 for 1st quarter of 2016. (8, 5)	
21	New York	\$10,000 application fee; \$200,000 registration fee for two-year registration period	7% excise tax. (9)	Sales started in January.	22.5% to county where produced; 22.5% to county where sold; 5% to drug abuse prevention; 5% to criminal justice. (9)
22	North Dakota	Compassion center application fee of \$5,000; \$25,000 certification fee after approval by Department of Health as a dispensing organization; and proposed \$117 fee for patients (28)	5% state sales tax will apply as well as local taxes. (28)	\$4.8 million from registration and application fees for 2017-19 biennium; sales tax revenue indeterminate. (28)	Sales tax revenue not earmarked.
23	Ohio	Regulatory and registration fees to be determined.	State sales tax of 5.75% plus any local tax.		Program to be fully operational no later than September 2018

24	Oregon	\$250 application fee; \$1,000/year license fee	Oregon does not have a sales tax	Recreational tax only - \$60.1 million revenue from 2016 taxes	Medical not taxed. Recreational taxes reduced from 25% to 17% 29 20% of funds in the Oregon Marijuana Account must be transferred to the Mental Health Alcoholism and Drug Services Account and 5% of funds must be transferred to the Oregon Health Authority to be used for the establishment, operation and maintenance of alcohol and drug abuse prevention, early intervention and treatment services. (42)
25	Pennsylvania	Applications: \$5,000 non refundable fee for dispensaries, \$10,000 for grower/processors Licenses: \$30,000 for each dispensary location (with a \$5,000 renewal), \$200,000 for grower/processors (\$10,000 renewal)	Grower/processors pay 5% tax on sale of medical cannabis	No revenue projected for FY 2016-17 due to excise tax. (10)	55% to Department of Health to offset costs of administration, 15% or which to be used for fee waivers for patients unable to pay; 10% for drug abuse prevention counseling and treatment; 30% for research; 5% distribution to local law enforcement. Proceeds deposited into Medical Marijuana Program Fund. (10)
26	Rhode Island	\$250 application fee, \$5,000 biennial registration fee	Compassion center surcharge of 4%; 7% state sales tax	\$1 million projected from sales tax and \$675,000 from surcharges	Deposited into General Fund. (11)
27	Vermont	\$2,500 application fee, \$20,000 or \$30,000 annual fee	Medical marijuana sales are not taxed		
28	Washington (state)	Producer and processor application fee \$266 and \$1,062 annual license fee; medical endorsement for retailer is free.	Subject to state sales tax 7% - 9% depending on location. Effective July 1, 2016 all marijuana sales subject to 37% excise tax. Sales tax exemption for certain medical marijuana sales. (29)	\$5.2 million for FY 2015 from state sales tax plus \$800K in business and occupational licenses plus \$2.1 million local sales tax. Recreational sales taxes approximately \$30 million during same period. (30)	Under new law, the 37% excise tax includes up to 15% to division of behavioral health for prevention and treatment (minimum of \$25,536,000 effective July 1, 2016), up to 10% to department of health for prevention and education (minimum of \$9,750,000 effective July 2016), up to 0.6% to Washington State University for research (minimum of \$681,000 effective July 1, 2016), 50% to basic health plan trust account, 5% to Washington state health authority for community health centers, up to 0.3% to office of public instruction for building bridges program (minimum of \$511,000 effective July 1, 2016), and remaining funds to general fund of the state. Provision made for distribution to

29	Washington, D.C.	\$5,000 application fee for dispensaries and cultivators, \$3,000/year renewal fee for dispensaries and cultivators; additional \$10,000/year fee for dispensaries, \$5,000/year	6% sales tax	As of 2/1/2017 - 8 Cultivation Centers and 5 Dispensaries (45)	Effective in FY 2012, any revenues from the sales tax on medical marijuana are transferred to the Healthy D.C. and Health Care Expansion Fund (a low-income insurance program). The transfer amount is estimated to be \$427,000
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