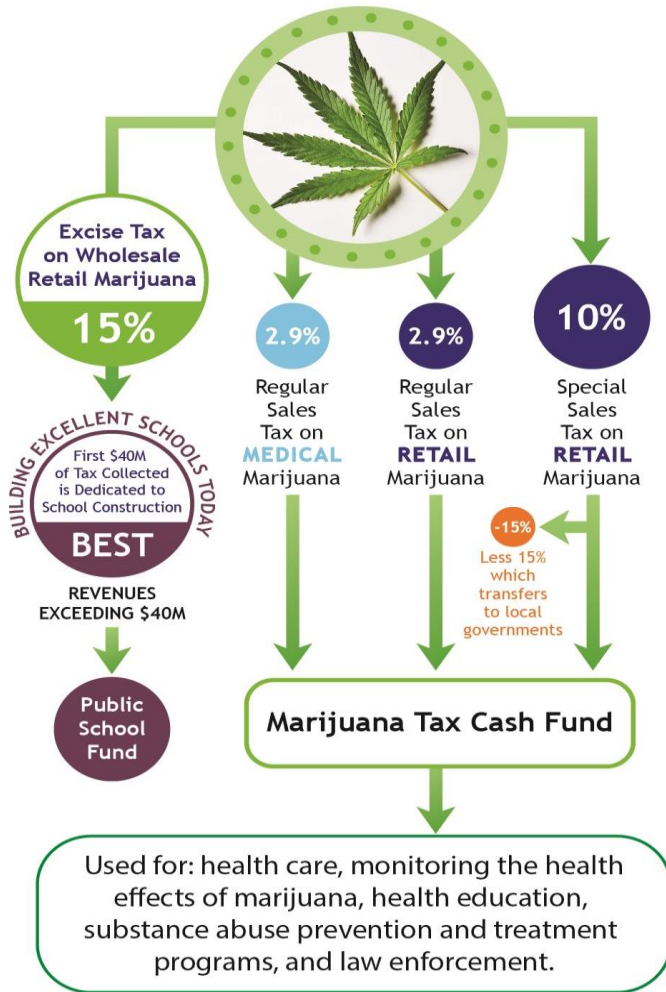


FACT SHEET

Marijuana Tax Revenue and Education



Used for: health care, monitoring the health effects of marijuana, health education, substance abuse prevention and treatment programs, and law enforcement.

In 2012, Colorado voters approved Amendment 64 that allowed adults 21 and older to consume or possess marijuana and required the state to set up a regulatory structure for the retail marijuana industry. It also mandated the state legislature to enact an excise tax on marijuana with the first \$40 million collected to go to public school construction.

In 2013, voters approved Proposition AA, which allowed the state to levy up to a 15 percent excise tax on unprocessed marijuana and up to a 15 percent retail tax on retail marijuana. (The state chose to levy a 10 percent tax on retail marijuana.) In addition, both medical and retail marijuana continue to be subject to the state’s 2.9 percent sales tax.

Marijuana tax revenue distributions to the Colorado Department of Education

- School Capital Construction
2015-16: \$80 million*
2016-17: \$40 million
- Early Literacy Competitive Grant Program
2016-17: \$4.4 million
- School Health Professional Grant Program
2015-16: \$2.3 million
2016-17: \$2.3 million
- School Bullying Prevention & Education Grant Program
2015-16: \$2 million
2016-17: \$900,000
- Drop-out Prevention Programs
2015-16: \$2 million
2016-17: \$900,000
- Public School Fund
2016-17: \$5.7 million

*Includes \$40 million from one-time tax revenue disbursement approved by voters, allowing Colorado to keep surplus

Total 2015-16 marijuana revenue for CDE: **\$86.3 million**
Total 2015-16 state education funding: **\$5.3 billion**

Total 2016-17 marijuana revenue for CDE: **\$54.2 million**
Total 2016-17 state education funding: **\$5.4 billion**



How is marijuana tax revenue distributed?

Excise tax: The first \$40 million in excise tax on wholesale retail marijuana is credited to the state's public school capital construction assistance fund. Up to \$5 million of the excise tax is used for charter school capital construction and the remaining funds are used for the Building Excellent Schools Today (BEST) grant program.

Sales tax: Fifteen percent of the revenue from the 10 percent tax on marijuana retail sales is allocated to local governments and apportioned according to the percentage of marijuana sales within city and county boundaries. The remaining 85 percent goes to the Marijuana Tax Cash Fund (MTCF). The entirety of the 2.9 percent sales tax on both retail and medical marijuana also is credited to the MTCF.

Building Excellent Schools Today

The BEST grant program prioritizes health, safety and security issues such as asbestos removal, new roofs, building code violations, and poor indoor air quality. BEST grants are competitive, awarded annually and in most cases must be supplemented with local matching funds.

Marijuana tax revenue is just one of four funding sources for BEST, the total of which is only a fraction of what is needed for the repair, maintenance and construction of Colorado's public schools. A statewide facility assessment determined a need of nearly \$18 billion in capital construction projected through 2018.

Here is how marijuana excise tax revenue has been used for the BEST program:

- In Fiscal Year 2015-16, \$35 million in marijuana excise tax was allocated to the BEST program plus an additional \$40 million was paid into the fund from a one-time disbursement resulting from Proposition BB, a successful statewide ballot measure in 2015 that allowed the state to keep the surplus in marijuana tax revenue.
- In Fiscal Year 2016-17, \$35 million of marijuana excise tax was allocated to the BEST program with the excess \$5.7 million going to the Public School Fund.

Marijuana Tax Cash Fund

In 2014, the state legislature created the Marijuana Tax Cash Fund to collect sales tax revenue from retail and medical marijuana. Revenue from MTCF must be spent the following year on health care, to monitor the health effects of marijuana, health education, substance abuse prevention and treatment programs and law enforcement.

Under MTCF CDE received money specifically for:

- The School Health Professional Grant program to address behavioral health issues in schools.
- A grant program to help schools and districts set up initiatives to reduce the frequency of bullying incidents.
- Grants to fund drop-out prevention programs.
- Early Literacy Competitive Grants to ensure reading is embedded into K-3 curriculum. (For 2016-17 only).

Where can I learn more?

- Colorado marijuana taxes <https://www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data>
- BEST Program Fact Sheet, <http://www.cde.state.co.us/communications/capitalconstructionfactsheet>
- To view all CDE fact sheets, visit: www.cde.state.co.us/Communications/factsheetsandfaqs