

Colorado made \$3.5 million in pot tax in first month

March 11 2014

Marijuana sales in Colorado brought in \$3.5 million in tax revenues and fees in the first month retail pot outlets were allowed, the western US state said Monday.

The figure included \$2.9 million in taxes for recreational and [medical marijuana](#) in the month of January, and nearly \$600,000 in fees, said Colorado's Department of Revenue.

The Rocky Mountain state had legalized pot in 2012, but made drug history on January 1 by inaugurating retail sales of marijuana for recreational use. It levies a 15 percent excise tax and a 2.9 percent sales tax.

"The first month of sales for recreational marijuana fell in line with expectations," said tax department chief Barbara Brohl, while cautioning that the size of the industry might take a few months to become clear.

Initial projections had suggested 40 businesses would be up and running on January 1, but in fact only 24 were by then. By the end of January, 59 businesses had filed [tax returns](#).

After Colorado, Pacific Northwest state Washington is set to follow suit later this year—even though, under federal law, marijuana remains as illegal as heroin, ecstasy and LSD.

In Alaska, campaigners are "very hopeful" of putting legalization to a

popular vote in August. Similar efforts in Arizona, California, Maine, Massachusetts, Montana, Nevada and Oregon are under way, though in more preliminary stages.

President Barack Obama's administration told federal prosecutors last August to stop targeting individual [marijuana](#) smokers in states where legalization is in place.

Colorado said that, in the first few months of [retail sales](#), tax and fee revenues will be "significantly affected in both directions" by various factors.

A "possible increase in initial demand" could boost sales at first, while the speed with which pot shops are licenced and how readily they can get supplies, may also have an impact.

"We expect clear revenue patterns will emerge by April and plan to incorporate this data into future forecasts," said Brohl.

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