

Colorado Rolling Toward Another Record Year In Cannabis Sales

While other states continue to debate marijuana legalization, Colorado is set to post record-breaking sales for the fifth year in a row.

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Recreational marijuana has had a slow rollout since Colorado first started legal sales in January 2014. With the exception of Nevada – where legal adult-use sales came flying out of the gates just seven months after voters approved them – other states have experienced issues.

For example, many blamed a sluggish bureaucracy in Massachusetts for a slow start to the state's recreational weed program. California has had lower sales than expected. New York and New Jersey could not reach an agreement on how to legalize adult-use cannabis, and Illinois is still fighting over the one its lawmakers did approve.

However, back in Colorado, they are about to set a record for annual sales. Again.

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Colorado Has Continued To Grow Its

Legal Marijuana Industry

According to the latest report from the Colorado Department of Revenue, marijuana sales in 2019 are expected to eclipse November in 2018. That leaves an extra month in December to pad that record-setting sales number.

Through October, dispensaries in Colorado reported a whopping \$1.463 billion in cannabis sales. In all of 2018, dispensaries reported \$1.545 billion in sales. Barring an unprecedented drop in sales, 2018 will be eclipsed with the November numbers, which will be released in January.

Since January 2014, marijuana sales in Colorado have reached \$7.502 billion – which is through October 2019. That number includes both medical and adult-use sales, although recreational sales dwarf medical marijuana sales. For example, in October, adult use sales reached \$121.2 million, while medical marijuana sales were \$29.2 million, according to the state's monthly marijuana sales report.

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Where Does Colorado Spend All That Tax Revenue?

The state of Colorado has raised \$1.182 billion in pot tax money since sales began in 2014. State lawmakers increased the sales tax on recreational marijuana from 10 percent to 15 percent in 2017. There's also a 15 percent excise tax charged to businesses when they transfer cannabis from a production facility to a dispensary. The state also levies a 2.9 percent sales tax on medical marijuana, and all marijuana sales are subject to local taxes.

So, where is all that money going?

The first \$40 million from the excise tax goes each year into a school capital construction grant program. Local school districts can apply to use the fund for building new facilities or renovating current ones. The rest goes to a fund that is used for school maintenance and other projects.

The 15 percent sales revenue goes into the state general fund and the Marijuana Tax Cash Fund. A portion of that fund also goes to education, including grants for schools that fund school health professionals, early literacy programs and dropout and bullying prevention, according to Colorado Public Radio.

However, as big as those marijuana tax dollars are, they only make up about 1 percent of the state's budget.

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