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Examining the Tax Landscape of Recreational Cannabis: Trends and Considerations from the Past 10 Years of Policy

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Introduction

Over the past several years, the landscape of cannabis legalization in the United States has undergone a profound transformation. What was once considered a societal taboo has now emerged to mainstream acceptance. According to the current jurisprudence, 24 states, two territories, and the District of Columbia have legalized small amounts of cannabis for recreational use, marking a significant societal shift. For a comprehensive list, please see Table 1 and the accompanying citations. This represents a shifting tide where states have embraced the legalization of recreational cannabis, recognizing its potential economic, social, and medicinal benefits. However, with this newfound freedom comes a responsibility to enact sound social and tax policies. The taxation of recreational cannabis is a multifaceted issue that intertwines economic considerations, public health objectives, and governmental revenue generation.

This article aims to provide an overview of the taxation of recreational cannabis in states where it has been legalized for recreational purposes. By delving into the various approaches taken by different jurisdictions, analyzing the economic impacts, and examining the challenges and opportunities inherent in cannabis taxation, we seek to shed light on a topic that is rapidly shaping the future of the cannabis industry and the broader economy. From excise taxes to sales taxes and licensing fees to revenue allocation, the taxation framework surrounding recreational cannabis is a dynamic and evolving landscape. Potential federal excise taxes could further complicate the matter if cannabis were to undergo modifications of legality at the federal level.

As states grapple with issues of equity, sustainability, and public health, the tax policies they implement can have far-reaching implications for businesses, consumers, and communities. By fostering a deeper understanding of this complex issue, we can contribute to more informed decision-making and ultimately shape a future where the cannabis industry thrives responsibly and equitably.

Some states allocate a portion of the revenue to support veterans' services, recognizing the potential benefits of medical cannabis for veterans with certain medical conditions. In some cases, a portion of the revenue is placed in a rainy-day fund, which can be used for emergencies or unforeseen budget shortfalls.

The Federal Landscape—Legality, Banking, Decoupling

Our examination of cannabis would not be complete without pointing out a few issues at the outset to keep in mind as we explore how states have chosen to tax the product. First, cannabis is still illegal at the federal level.¹ According to the Drug Enforcement Agency (DEA), which has the authority to schedule drugs, cannabis is a Schedule 1 substance, which means it is categorized as having no medical use and a high potential for abuse.² This categorization has been criticized, and President Biden, at the behest of the Department of Health and Human Resources, has asked the DEA to reconsider its current scheduling of cannabis.³ At the time of the writing of this article, the DEA has agreed to reexamine the classification of cannabis but has not yet issued any report or findings or taken any actions publicly.⁴ Because federal law preempts state law on this issue, many lawyers, accountants, banks, and other service providers have hesitated to provide advice or services.⁵ However, because there is such a market demand, others do provide services.⁶ In particular, banks have issues with serving the cannabis industry because of the inherent risks

associated with becoming involved in illegal activity and the associated regulatory uncertainty.⁷ Due to the federal illegality of cannabis, the product must be taken from seed to sale and ultimately used all within one state.⁸ If a participant in that chain were to move across state lines, they risk violating the commerce clause because cannabis still remains illegal at the federal level.⁹

Pursuant to Code Sec. 280E, “[n]o deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted.”¹⁰ As a result, at the federal level, there is no deduction for anything besides the cost of goods sold.¹¹ In this article, we will not examine the scope of the cost of goods sold but recognize there are varying definitions of the many different types of expenses that might be allocated to the cost of goods sold. The Internal Revenue Service (IRS) and Tax Court have both provided guidance on determining the cost of goods sold under Code Sec. 280E.¹² Various states have responded to the cannabis industry by either fully or partially decoupling from Code Sec. 280E.¹³ Decoupling enables the taxpayer to deduct the cost of various expenses that are disallowed on the federal return due to Code Sec. 280E.

The State Landscape—Typical Taxes Imposed

The most common tax imposed on cannabis is the excise tax. Nearly 24 states, one district, and two territories impose some sort of excise tax. *See* Table 1 for a comprehensive list of the taxing schemes each state employs. The excise tax is usually applied at the point of sale, either as a percentage of the retail price or based on the product's weight. The taxes are typically earmarked for specific purposes, such as funding regulatory agencies, drug abuse prevention programs, or other public health initiatives. Some of those initiatives will be covered later on in this article. At the local level, some states allow a locality or municipality also to levy and collect an excise tax on the sale of cannabis.¹⁴ For example, in Oregon, a locality can collect up to a 3% excise tax on cannabis sales.¹⁵ In addition to excise taxes, recreational cannabis sales are also subject to state and local sales taxes. These taxes are calculated as a percentage of the purchase price and vary

TABLE 1.

States, Districts, & Territories	Legality of cannabis	Taxation on recreational use	Tax Law
1 Alaska	www.commerce.alaska.gov/web/Portals/9/pub/ MCB/StatutesAndRegulations/AS1738.pdf	Excise Tax at \$50 Per Ounce mature flower, \$25 per ounce on immature, \$15 per ounce on trim, and \$1 per clone	www.commerce.alaska.gov/web/Portals/9/pub/ MCB/StatutesAndRegulations/MJ_BallotMeasure2.pdf
2 Arizona	www.azleg.gov/ars/36/02852.htm	Excise tax of 16% of retail sales and sales tax	azdor.gov/reports-statistics-and-legal-research/ marijuana-tax-collection
3 California	cannabis.ca.gov/cannabis-laws/laws-and-regulations/	Excise tax of 15% of retail sales and sales tax	www.cdifa.ca.gov/industry/cannabis/tax-facts.htm#no-longer-applies
4 Colorado	cannabis.colorado.gov/legal-marijuana-use/laws-about-marijuana-use	Excise tax of 15% on the first sale or transfer at average market rate, a up to 18% excise tax on retail sales, and sales tax	tax.colorado.gov/marijuana-sales-tax#:~:text=State%20Retail%20Marijuana%20Sales%20Tax,the%20final%20consumer%20purchase%20price
5 Connecticut	portal.ct.gov/cannabis?language=en_US	Based on THC content .00625 per mg of THC in plant material, .0275 per mg on edible products label, & all other THC at .009 per mg of THC	portal.ct.gov/DRS/Taxes/Cannabis/Cannabis-Tax
6 Delaware	delcode.delaware.gov/title16/c049a/index.html	Retailers pay 15% on retail sales manufacturers pay a \$10,000 biennial fee, cultivators pay between a \$2,500 and a \$10,000 biennial fee	www.delawarecannabispolicy.org/why-regulate/summary-of-hb-305-the-delaware-marijuana-control-act/
7 Illinois	www2.illinois.gov/ILSNews/20242-Summary_of_HB_1438_The_Cannabis_Regulation_and_Tax_Act.pdf	Cultivators pay a 7% privilege tax, purchasers pay a an excise tax (10% for cannabis with 35% THC or less, 25% for THC above 35%, 20% for cannabis infused products) and sales tax	tax.illinois.gov/research/taxinformation/other/cannabis-tax-frequently-asked-questions.html
8 Maine	www.maine.gov/dafs/ocp/resources/faq#AdultUse	\$335 per pound of cannabis flower, \$94 per pound on trim, \$1.50 on immature plants, \$35 per mature plant, .3 cents for seeds & 10% excise tax	www.maine.gov/dafs/ocp/adult-use/rules-statutes/title-36
9 Maryland	cannabis.maryland.gov/Pages/Adult-Use-Cannabis-Implementation.aspx	9% sales tax	marylandtaxes.gov/forms/Tax_Publications/Tax_Alerts/SUT_Tax_Alert_OnA_Business_June2023.pdf
10 Massachusetts	masscannabiscontrol.com/know-the-laws/	10.75% sales tax locality may charge up to an additional 3%, the potential for an up to 3% community impact fee on gross sales	masscannabiscontrol.com/taxes-and-fees/
11 Michigan	www.michigan.gov/-/media/Project/Websites/cra/consumer-connection/2021-lara-child-marijuana-brochure-APPROVED.pdf?rev=8a7de5aa78394b5d932b0bed20b4e20a	10% sales tax on top of the already existing 6% sales tax	www.michigan.gov/taxes/business-taxes/mret/about#:~:text=Michigan%20voters%20approved%20the%20legalization,to%20a%206%25%20sales%20tax.
12 Minnesota	cannabis.mn.gov/consumers.html	10% tax in addition to state sales and local sales tax	www.revenue.state.mn.us/cannabis-tax#:~:text=Starting%20July%201%202023%20C%20all,Cannabis%20Tax%20Updates%20by%20email.
13 Missouri	health.mo.gov/safety/cannabis/faqs-general.php#purch	6% sales tax in addition to the preexisting sales tax in addition to a potential local sales tax	dor.mo.gov/taxation/business/marijuana.html
14 Montana	mrevenue.gov/cannabis/faqs/#:~:text=Is%20adult%20use%20marijuana%20possession,public%20and%20certain%20other%20locations.	20% sales tax plus each locality can collect up to a 3% additional sales tax	mrevenue.gov/taxes/miscellaneous-taxes-and-fees/cannabis/#:~:text=Fees%20for%20Cannabis%20Tax,Sold

TABLE 1.

States, Districts, & Territories	Legality of cannabis	Taxation on recreational use	Tax Law
15 Nevada	ccb.nv.gov/laws-regulations/#:~:text=Adults%2021%20years%20and%20older,or%20purified%2C%20obtained%20from%20cannabis	15% excise tax on first wholesale, typical sales tax, 10% retail excise tax	tax.nv.gov/FAQs/Retail_Marijuana/
16 New Jersey	www.nj.gov/cannabis/resources/cannabis-laws/	6.625% Sales and use tax, Social Equity Excise Fee (1.52 per ounce), municipal taxes 2% for cultivators, 2% from each sale by cannabis manufacturer, 1% of the receipts for wholesale, 2% for sale by a retailer	www.nj.gov/treasury/taxation/pdf/cannabis/anj30.pdf
17 New Mexico	www.rld.nm.gov/cannabis/cannabis-in-new-mexico/	Currently a 12% excise tax that will grow to 18% by 2030	www.tax.newmexico.gov/businesses/cannabis-excise-tax/
18 New York	cannabis.ny.gov/cannabis-law-overview	Distributors taxed on THC content (.03 cents per mg of THC on edibles, .008 on concentrates, and .005 on flower, 9% excise tax on sales, local excise tax of 4%	www.tax.ny.gov/bus/auc/#:~:text=If%20you%20make%20retail%20sales,sale%20or%20transfer%20is%20imposed.
19 Ohio	codes.ohio.gov/ohio-revised-code/chapter-3780	10% excise tax plus applicable state sales tax and local sales tax	www.policymattersohio.org/blog/2024/02/13/greener-pastures
20 Oregon	www.oregon.gov/oha/ph/prevention/wellness/marijuana/pages/laws.aspx	17% excise tax plus localities can collect up to 3%	www.oregon.gov/dor/programs/businesses/pages/marijuana.aspx#:~:text=How%20local%20marijuana%20taxes%20work,the%20tax%20on%20their%20behalf.
21 Rhode Island	webserver.rilin.state.ri.us/PublicLaws/law22/law22032.htm	10% state excise tax, plus 3% local excise, plus applicable sales tax	tax.ri.gov/tax-sections/sales-excise-taxes/adult-use-cannabis-tax
22 Vermont	ccb.vermont.gov/laws-rules-and-regulations	14% excise tax	tax.vermont.gov/data-and-statistics/cannabis-excise-tax#:~:text=Tax%20Rates%20for%20Cannabis%20Excise,any%20cannabis%20or%20cannabis%20product.
23 Virginia	www.cca.virginia.gov/faqs#panel-3	21% excise tax	taxadmin.org/state-taxation-and-sales-of-recreational-marijuana/
24 Washington	doh.wa.gov/sites/default/files/2022-02/608035.pdf	37% excise tax	www.cityofvancouver.us/2023-annual-report/marijuana-tax/#:~:text=The%20state%20of%20Washington%20collects,it%20receives%20from%20the%20state.
25 District of Columbia	abca.dc.gov/page/medical-cannabis-laws#gsc.tab=0	Not currently taxed only medical is taxed at 6%	www.cityofvancouver.us/2023-annual-report/marijuana-tax/#:~:text=The%20state%20of%20Washington%20collects,it%20receives%20from%20the%20state.
26 Guam	www.guamtax.com/ccb/index.html	15% excise tax	www.ncsl.org/fiscal/update-on-state-cannabis-taxation
27 Northern Mariana Islands	governor.gov.mp/wp-content/uploads/2020/08/CNMI-Cannabis-Commission-Rules-and-Regulations-v0720.pdf	15% of gross revenues	finance.gov.mp/announcements/ta-2022-1-tax-on-marijuana-cannabis-excise-tax.pdf

depending on the jurisdiction. Like excise taxes, localities and municipalities may also impose sales taxes.¹⁶

One of the primary distinguishing features of California's taxing system was that it imposed taxes on both cultivators and consumers.¹⁷ Now, it has moved its taxing structure to just impose an excise tax.¹⁸ However, some states levy a cultivation tax on cannabis growers based on the weight or volume of the harvested plants.¹⁹ Cultivation taxes are typically imposed at the wholesale level, with growers responsible for paying the tax when they sell their products to retailers or distributors.²⁰ This tax helps generate revenue for the state while regulating the cultivation process.²¹

One of the biggest perceived health implications of cannabis sales is the potency level of the cannabis product being consumed.²² Some states have used this idea to charge a tax based on the potency level. This helps regulate and minimize the number of products that have a relatively high level of delta-9-tetrahydrocannabinol (THC).²³ In addition to taxes, there are also licensing fees. Cannabis businesses, including growers, processors, distributors, and retailers, are often required to obtain licenses to operate legally.²⁴ These licenses typically come with associated fees, which serve as a form of taxation on the industry. License fees can vary widely depending on the type of license and the size of the operation. Some fees are nominal and do not represent a significant barrier to entry.²⁵ However, some states, like Delaware, charge a \$10,000 biennial fee, which is more significant.²⁶ Please *see* Table 1 for each state's taxes on recreational use.

Common Themes Among Taxing Jurisdictions

State legislators are concerned with correctly structuring taxes in design and amount to reach their desired outcomes. The primary outcomes that become apparent when examining the literature are having tax laws that are easy to administer but complex enough to accommodate growing markets. The taxing structure should also have a reasonable enough rate to quash illicit markets but enough revenue to address the negative externalities. After the revenue is collected, it should be allocated thoughtfully to the programs and needs of the state, coordinated well with other regulations, and nimble enough to be modified in the face of ineffectiveness. Many of these variables are often in tension with one another. The best way is to find an optimal balance between competing alternatives.

First, cannabis is a relatively new market. From its inception, we have seen dispensaries selling plant matter

all the way up to infusing beverages, baked goods, lotions and balms, pre-rolled, and more concentrated oils, and many other permutations. There is no doubt there will be further innovation in the products dispensaries will offer. The tax structure should be flexible enough that whatever is dreamed up will likely be easily added to the tax regime without legislative intervention. However, the taxation scheme should be simple enough that consumers and business owners should be well apprised of how the laws will apply to them so they can adequately anticipate, plan, and comply. In markets where cannabis is allowed for adult recreational and medical use, there also needs to be a thoughtful consideration of the discrepancies in the taxing rate. On one hand, it makes logical sense to have a lower rate of taxation for people who use cannabis as a therapeutic. However, a state that has a much heavier tax on recreational cannabis, as opposed to medical use, could see users seek out medical cards when they are not medically required. For example, obtaining a medical card for recreational use would make a lot of economic sense in a state that taxes recreational use much higher than medicinal use because it could significantly lower a user's product cost. This could undercut or cannibalize the recreational market, making it more difficult to predict and properly allocate revenue. To complicate matters further, not only is that an issue, but the taxing structure of the states surrounding the one in question is also a problem. If taxes significantly differ in a bordering state, a state might lose tax revenue from users traveling out of state for a cheaper product.

The specific use of cannabis tax revenue should be outlined in the relevant legislation or regulations for each jurisdiction where recreational marijuana is legal.

The next issue is the tension between imposing enough tax to defer or stop any externalities and having taxes low enough to stay competitive with the illicit market. Taxes need to be high enough that you can use the funds to defray the social costs of permitting the use while also providing other revenue that can be used for social good. However, the taxes must be low enough that suppliers and retailers can sell the product below the illicit market rate.²⁷

This issue is also frustrated by the cost of complying with licensing, monitoring, testing, and other regulations. In addition, while both industries are technically required to pay income taxes, the legal industry is likely the only party paying federal and state taxes. As mentioned earlier, under the federal taxing regime, operations that are legal by state law are not able to deduct the typical ordinary and necessary business expenses under Code Sec. 280E. Operations that are legal under state law are at a disadvantage when it comes to these costs, so it makes sense to keep the taxes low enough to allow them to be competitive to dislodge the illicit market and hopefully improve budget and public health outcomes.

It is important to note that the allocation of recreational cannabis tax revenue can vary significantly from one jurisdiction to another, depending on local laws and priorities. Additionally, over time, revenue distribution may change as the industry matures and states reassess their goals and needs.

Next, we will examine the issues that each taxation scheme presents. While excise taxes seem the most popular, they have advantages and disadvantages. One of the primary advantages is that they can be based on sales price, so they are relatively easy to administer, explain, and account for. However, a trend we have seen in the states with an excise tax is that the revenues are now very closely correlated with the sales price. This is not that big of an issue until we consider the typical trend in a state that has legalized recreational use. In states that have legalized recreational use, the price of the product tends to start high and then lower considerably. For instance, in Colorado, the price was close to \$2,000 per pound in 2015 but has dropped to close to \$500 per pound in 2023.²⁸ Sometimes, when this occurs, the anticipated and collected revenue can be much lower than expected or hard to predict.

Weight-based taxes help alleviate the rapidly changing cost of the product; however, they are also subject

to disadvantages as well.²⁹ Weight-based taxes do not take into consideration the potency of the products sold, which will work to incentivize the production of very high-potency cannabis.³⁰ Very high-potency cannabis has been shown in the literature to increase the rate of emergency room visits, mental health problems, structural abnormalities of the brain, and the risk of psychosis or having a psychotic break.³¹ Weight-based systems are more of an administrative burden because you must accurately weigh the yield at some point in the cultivation process. The plant is much heavier before being dried out for recreational use. This creates even more administrative difficulty.

Total Collections

As you can see in Table 2 below, the 2022 total revenue from cannabis taxation among all states sits at around three billion. Analysts expect that number to increase year over year; however, when examining the total revenue of a state that has legalized cannabis, the monies collected from cannabis only account for at most 1.6% of the total tax collections in the state.³² As a result, many may overestimate the revenue collection from cannabis; however, the figures above do not take into account the sales and use, property, and income tax that a cannabis business would also create. In the context of states that must balance their budget, any source of revenue can help. Below, we will examine the types of things we have identified that cannabis collections fund.

Where Is the Revenue Allocated?

Governments typically impose taxes on recreational cannabis at the state or local level in regions where recreational marijuana use is legal. The revenue generated from these taxes serves several purposes. One primary use of recreational cannabis tax revenue is to bolster state and local budgets. This additional revenue can help fund various public services and infrastructure projects. It can also cover administrative and regulatory costs for overseeing the legal cannabis industry. For every \$1 billion in cannabis sales tax revenue, nearly \$600 million goes into public health initiatives, including health insurance for low-income families.³³ From 2015 to 2023, Washington state and local agencies utilized \$3.3 billion from their collections. Roughly 54% of these funds were directed toward healthcare for children enrolled in Medicaid, including \$156 million allocated explicitly for Community Health Centers.³⁴

TABLE 2. CANNABIS TAX REVENUE & NATIONWIDE CANNABIS TAX POLICY BLUEPRINT

State	2022 Total Cannabis Tax Collections	Cannabis Revenue as a Percentage of Total Revenue Collected Q1 2023
Alaska	29,949,000	1.3%
Arizona	151,427,000	0.9%
Arkansas	15,757,000	0.1%
California	712,405,000	0.2%
Colorado	313,242,000	1.6%
Illinois	284,731,000	0.5%
Louisiana	616,000	0.0%
Maine	27,350,000	0.4%
Massachusetts	248,436,000	0.6%
Michigan	190,606,000	0.7%
Missouri	14,787,000	0.2%
Montana	35,781,000	1.1%
Nevada	117,908,000	1.2%
New Jersey	23,853,000	0.1%
New Mexico	21,814,000	0.3%
New York	11,774,000	0.0%
Oklahoma	54,696,000	0.4%
Oregon	174,071,000	0.9%
Pennsylvania	34,061,000	0.1%
Rhode Island	2,000	0.1%
Vermont	862,000	0.3%
Washington	484,009,000	1.2%
Total	2,948,137,000	

Courtesy of: taxfoundation.org/research/all/state/cannabis-tax-revenue-reform/#:-text=Marijuana%20revenues%20generated%20more%20than%20all%20revenue%20collected%20in%20Colorado.

In many states, a portion of the tax revenue is allocated to education. This can include school funding, scholarships, and educational programs promoting responsible cannabis use and awareness. When it comes to education, some states use revenue generated from cannabis taxes to fund various programs related to education. For instance, starting from July 1, 2018, in Colorado, the excise tax collected for education was greater than 90% of the revenue annually or the first \$40 million collected.³⁵ However, it is vital to note that almost no money from marijuana taxes goes into schools' operating budgets. Instead, the revenue funds maintenance and construction projects and, to a lesser degree, programs related to anti-bullying, literacy, dropout prevention, and school health professionals.³⁶

A portion of the tax revenue is used to regulate and oversee the legal cannabis industry. This includes funding for regulatory agencies, law enforcement, and licensing

and compliance programs to ensure that businesses in the industry adhere to relevant laws and regulations. In some cases, cannabis tax revenue is directed towards criminal justice reform efforts, particularly with a focus on expunging or reducing the sentences of individuals with prior non-violent cannabis-related convictions.

Some states allocate a percentage of the revenue to community development projects. These projects can include infrastructure improvements, job training programs, and initiatives aimed at addressing disparities in communities affected by the War on Drugs. Certain states, like California and New Jersey, allocate funds to assist communities that have been disproportionately affected by cannabis-related law enforcement. Although not explicitly targeting mental health, these investments are seen as potentially improving the underlying factors that contribute to mental health issues.³⁷

Funding for cannabis-related research is another potential use of tax revenue. This research can focus on the health effects, efficacy of medical applications, and social implications of cannabis use. The Department of Cannabis Control in California is offering \$20 million in research grants to support the study of cannabis and its effects. The grants aim to enhance academic understanding of cannabis, explore the impact of government policies, and facilitate evidence-based policy development.³⁸

In April 2021, only Illinois, Oregon, and Washington explicitly mentioned mental health in the statutory language for excise tax revenue from recreational cannabis. However, in all three states, mental health is only mentioned in combination with substance use services. Connecticut is the only additional state with statutory language earmarking excise tax revenue for mental health

or addiction services and epidemiologic surveillance of recreational cannabis on youth mental health.³⁹

Some states allocate a portion of the revenue to support veterans' services, recognizing the potential benefits of medical cannabis for veterans with certain medical conditions. In some cases, a portion of the revenue is placed in a rainy-day fund, which can be used for emergencies or unforeseen budget shortfalls. It is important to note that the allocation of recreational cannabis tax revenue can vary significantly from one jurisdiction to another, depending on local laws and priorities. Additionally, over time, revenue distribution may change as the industry matures and states reassess their goals and needs. The specific use of cannabis tax revenue should be outlined in the relevant legislation or regulations for each jurisdiction where recreational marijuana is legal.

ENDNOTES

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¹ www.dea.gov/drug-information/drug-scheduling.

² *Id.*

³ www.forbes.com/sites/sarahsinclair/2024/03/18/biden-says-hes-taking-care-of-federal-cannabis-laws-but-is-rescheduling-enough/?sh=1d0ba3d4e8df.

⁴ *Id.*

⁵ cannabisresearch.biomedcentral.com/articles/10.1186/s42238-022-00118-z#:~:text=A%20

www.cannabisbusinesstimes.com/news/congressional-research-service-lack-of-banking-services-cannabis-businesses-target-for-theft/#:~:text=E2%80%9CAML%20%5BAnti%2DMoney%2D,enforce%20AML%20requirements%20for%20banks.

⁶ *Id.*

⁷ www.bu.edu/bulawreview/files/2021/07/MIKOS.pdf.

⁸ *Id.*

⁹ *Id.*

¹⁰ See Code Sec. 280E.

¹¹ *Id.*

¹² *M. Olive*, 139 TC 19, Dec. 59,146 (2012); Chief Counsel Advice (CCA) 201504011 (Dec. 10, 2014). See also www.thetaxadviser.com/issues/2018/aug/inventory-accounting-cannabis-businesses.html.

¹³ www.kiplinger.com/taxes/is-tax-relief-for-marijuana-businesses-coming-kiplinger-tax-letter.

¹⁴ www.oregon.gov/dor/programs/businesses/pages/marijuana.aspx#:~:text=Licensed%20retailers,for%20all%20recreational%20marijuana%20sold.

¹⁵ *Id.*

¹⁶ www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-backgrounders/marijuana-taxes.

¹⁷ www.cdtfa.ca.gov/industry/cannabis/.

¹⁸ *Id.*

¹⁹ www.commerce.alaska.gov/web/portals/9/pub/MCB/StatutesAndRegulations/MJ_BallotMeasure2.pdf.

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ taxfoundation.org/research/all/state/cannabis-tax-revenue-reform/.

²⁴ legis.delaware.gov/BillDetail/129969.

²⁵ www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-backgrounders/marijuana-taxes.

²⁶ See endnote 24.

²⁷ www.cato.org/blog/marijuana-taxes-keep-black-markets-thriving.

²⁸ See endnote 23.

²⁹ See endnote 23.

³⁰ See endnote 23.

³¹ www.ncbi.nlm.nih.gov/pmc/articles/PMC6312155/.

³² See endnote 23.

³³ www.mpp.org/issues/legalization/cannabis-tax-revenue-states-regulate-cannabis-adult-use.

³⁴ leg.wa.gov/jlarc/reports/2023/cannabis-Revenues/f_01/default.html.

³⁵ www.cde.state.co.us/communications/2021marijuanarevenue.

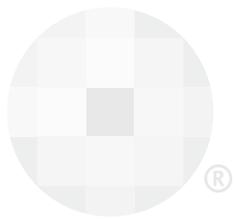
³⁶ www.cpr.org/2018/10/22/do-marijuana-taxes-go-to-schools-yes-but-probably-not-in-the-way-you-think-they-do/.

³⁷ jamanetwork.com/journals/jama-health-forum/fullarticle/2790754.

³⁸ cannabis.ca.gov/about-us/grant-funding/cannabis-academic-research-grants/.

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