

Marijuana tax revenue comes up short

Almost every state that legalized marijuana came up short on initial revenue targets. In Washington, the state office of Financial Management projected it would earn over 434 million in taxes in 2015, but **accrued less than half of that in realized revenue** ([The Conversation](#), 2024).

Even as marijuana markets grow, research shows tax revenues are offset ([Pew Trusts](#), 2019).

In the seven states that had programs in place in 2019 for the full year, **marijuana tax revenues represented about 0.36% of overall state budgets** (Missoula County, 2024).

State	Percent of Budget
Colorado	0.7%
California	0.63%
Washington	1.03%
Alaska	0.29%
Oregon	0.30%
Nevada	0.56%

The industry wants more...

Marijuana tax revenue in California has failed completely and they have **decreased cultivation taxes** since 2020 ([CalMatters](#), 2022).

These tactics are not new: **Big Tobacco has been lobbying for tax cuts for decades** and has adapted to more stringent policies by strategically aligning with trade groups for convenience stores and grocers, among others ([Tobacco Free Kids](#), 2012).

And what about the costs?

No state or organization provides transparency on the costs of legalization, from regulation to addiction treatment and other harms paid for by taxpayers. Revenues cannot be discussed without quantifying the costs of legalization.

"We get \$200 million a year in tax revenue, which, you know, we're a \$30 billion budget, so it's a drop in the bucket - it's not going to pay for early childhood education or solve any social ill."

Colorado Sen. John Hickenlooper, 2018