

Colorado's missing marijuana taxes

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Colorado is missing \$21.5 million in pot taxes.

Voters legalized retail marijuana (pot for everyone, not just medical patients) in 2012. And they were told the state would pull in \$33.5 million from two new taxes in the first six months of 2014. It turns out, the projections were way off. Here's why.

Pot smokers are still buying on the black market: The state thought more people would migrate out of the black market. But only 60% of people who want pot in Colorado this year will buy it through legal channels, according to an estimate from the Marijuana Policy Group.

One big reason: Legal pot costs a lot more than illegal pot -- mostly because of taxes and fees.

Legal retail marijuana is taxed more than 27%, so it's easily cheaper on the black market.

And there's more than one way smokers are scoring pot without paying taxes.

Some are likely procuring it under the table from medical marijuana patients who buy it on the up-and-up and then resell it illegally -- depriving the state of tax revenue.

Plus, any Coloradan over 21 can grow up to six plants for personal use. If they are selling it on the black market, that's even more tax revenue the state's missing out on.

More are buying medical marijuana: Medical marijuana is taxed far less than recreational pot, to the tune of 2.9%. On average one ounce of medical marijuana costs \$200, while the price of an ounce sold for recreational use is \$220, but prices vary widely.

And while Coloradans must visit a doctor to get a medical marijuana card, that currently costs just \$15. About 23% of the estimated marijuana users in Colorado (or 2% of the state population) have medical cards, according to the Marijuana Policy Group.

The state won't say how many more people got cards since retail pot was legalized, but the number is growing, according to state economist Larson Silbaugh.

Lawmakers were too optimistic in their revenue forecasts: State law requires the government to refund taxpayers if it collects more than expected.

Wanting to avoid returning money collected from retail marijuana sales, lawmakers made "rosier" projections, state lawmaker Jonathan Singer said recently.

To be fair, Colorado is in uncharted territory as the first state to legalize the drug for recreational purposes, and it's only been six months.

While lawmakers are examining the the tax structure, "it's too early to be worried," said state Rep. Dan Pabon.