

**Prepared by the Joint Fiscal Office
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S.54 Alternative Proposal: Cannabis excise tax of 14% plus 6% sales tax.

- Assumes medical dispensaries will be eligible for an early integrated license to begin sales in FY22.

Table 1 shows state revenues changes from the 14% excise tax.

Table 1: S.54. W&M Excise Tax Revenue (14% Excise Tax)					
Retail 14% Excise Tax Revenue (in Millions)					
	FY21	FY22	FY23	FY24	FY25
Low	\$0	\$0.13	\$3.0	\$5.1	\$6.4
Mid	\$0	\$0.18	\$4.2	\$7.1	\$8.9
High	\$0	\$0.25	\$5.7	\$9.7	\$12.2

6% sales tax revenues, dedicated to the Education Fund, are listed in Table 2:

Table 2: S.54 W&M Sales Tax Revenue (Education Fund)					
Sales Tax Revenue (in Millions)					
	FY21	FY22	FY23	FY24	FY25
Low	\$0	\$0.06	\$1.3	\$2.2	\$2.7
Mid	\$0	\$0.08	\$1.8	\$3.1	\$3.8
High	\$0	\$0.11	\$2.5	\$4.1	\$5.2

These estimates for excise tax revenue in Year 1 would place Vermont's revenue similar to that of Massachusetts' and Washington's first year of cannabis legalization, but ahead of California's (normalized by population and excise tax).

