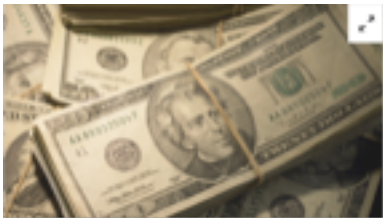


Subscribe now — Limited time offer

Please Sign In and use this article's on page print button to print this article.

Government & Regulations

# Oregon fiscal year closes with a surge in cannabis tax revenue



RECOMMENDED

Tax collections in the recently ended fiscal year were up 30.4 percent over 2019.

 By Pete Danko – Staff Reporter, Portland Business Journal  
Jul 27, 2020, 6:18pm EDT

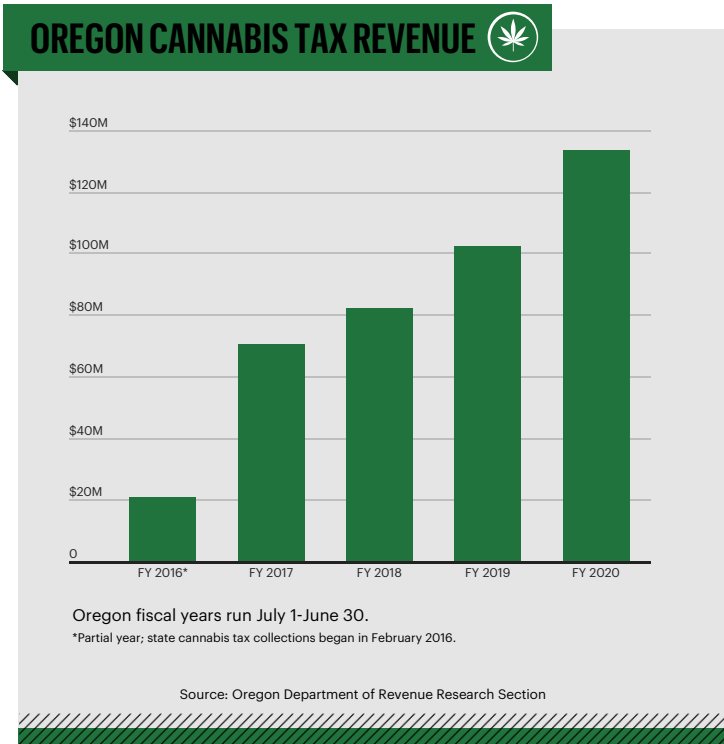
IN THIS ARTICLE

- Cannabis  
Topic
- Government & Regulations  
Industry
- Retailing  
Industry

The state closed the books on another fiscal year of cannabis tax collections at the end of June, and it was a big one.

Surging pandemic sales drove three straight months of record-breaking collections, including \$15.2 million in June, bringing the FY 2020 total to more than \$133.1 million.

That’s a 30.4 percent increase over 2019, a surprising acceleration in growth that runs contrary to the experience of Colorado and Washington at a similar stage in their market development.



The news arrived amid new focus on cannabis tax policy brought by a

November ballot initiative that, among other things, would spend all but a small, capped portion of collections on free addiction and recovery centers.

As it is, schools get the biggest share of cannabis tax revenue, 40 percent, followed by 20 percent to the state's Mental Health, Alcoholism and Drug Services account, 15 percent to the State Police, 10 percent each to cities and counties for law enforcement and 5 percent to the Oregon Health Authority for alcohol and drug abuse prevention.

Under Initiative Petition 44, revenue for those uses would be effectively capped permanently at \$45 million a year. The remainder of the money would go to the addiction recovery centers.

That's already prompted [pushback from schools advocates](#).

Some cannabis social equity activists are also critical of the measure, despite their support for increased investment in recovery and for the decriminalization elements in the measure.

"I'm very disappointed that this initiative does not spell out a mechanism to route money and investment and attention into community restoration holistically," said Dr. Rachel Knox, a Portland cannabinoid medicine specialist who serves on several public and nonprofit advisory panels.

Cannabis social equity advocates are already eyeing the 2021 Legislature as an opportunity to push for new programs from the state. If the ballot measure passes, Knox said, they would look to shift its funding priorities.

By then, there would likely be more money to go around, if history is any guide – and if the recent sales trend continues.

State economists in May said they expect the state's 17 percent tax on adult-use retail sales to bring in \$260.5 million in the 2019-21 biennium, up \$9 million from the forecast three months ago. But halfway through the biennium, the state is trending ahead of forecast – a pattern that has defined collections year after year.

In the 2017-19 biennium, the tax brought in \$184.3 million, beating a forecast put out in early 2017 by nearly a fifth.


Oregon taxes retail cannabis sales at 17 percent. Counties or cities can apply a 3 percent tax. Even at 20 percent, it's a lower rate than in most states, including Washington, where the sales tax is 37 percent.

#### RELATED CONTENT


Light touch with cannabis taxes could be costing Oregon millions




Taxing question: Is Oregon leaving cannabis cash on the table?




Oregon cannabis grower leads the way onto 'CrowdFarming' platform



Oregon voters will consider 3 health care-related measures in November

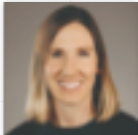


Oregon cannabis notches another \$100M month




Latest People on the Move

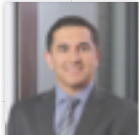
More >




Molly Vaughan  
The Springs Living




Brenda Conn...  
The Springs Living



Behzad Vafak...  
Intel Corporation



John Vannelli  
Whitman Partners



Lori Milton  
Evergreen Busin...

Back to Top ▲

PORTLAND **BUSINESS JOURNAL**

Home News Lists & Leads People Companies Events Jobs Store

SUBSCRIBERS

- Start a Subscription
- Subscriber-Only Content
- Digital Edition
- Book of Lists
- Book of Lists - Unlimited
- Manage your Account



ABOUT & CONTACT

- About Us
- About The Business Journals
- Advertise
- Help & FAQs
- Contact Us
- Circulation Sales
- Center Directory

APPS & SYNDICATION

- Mobile Apps
- Syndication/RSS

FOLLOW US



NEWSLETTERS

Sign Up Now

ACBJ

- American City Business Journals
- AmericanInno
- Bizwomen
- Hemmings
- Inside Lacrosse
- Sports Business Journal

User Agreement | Privacy Policy | Your California Privacy Rights | Ad Choices

© 2020 American City Business Journals. All rights reserved. Use of and/or registration on any portion of this site constitutes acceptance of our User Agreement (updated 1/1/20) and Privacy Policy and Cookie Statement (updated 1/1/20). The material on this site may not be reproduced, distributed, transmitted, cached or otherwise used, except with the prior written permission of American City Business Journals.