

Where does Colorado's marijuana tax money go? The state made a flow chart to answer the \$1 billion question

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Marijuana sales tax collection since recreational sales began in 2014 in May surpassed \$1 billion, Colorado officials said Wednesday.

That's a major milestone for a burgeoning industry, which has sold more than \$6.5 billion in that time period.

Colorado now has almost 3,000 licensed marijuana businesses and more than 40,000 people who are licensed to work in the industry.

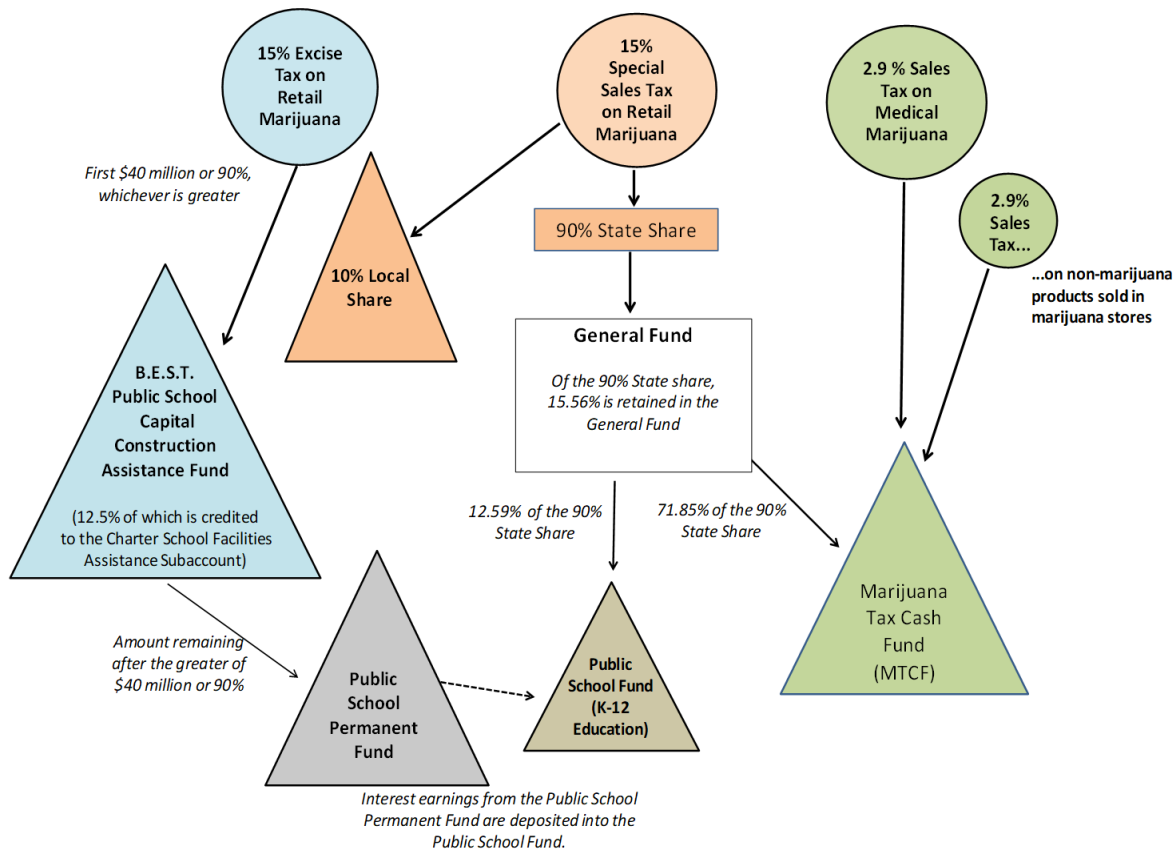
"This industry is helping grow our economy by creating jobs and generating valuable revenue that is going towards preventing youth consumption, protecting public health and safety and investing in public school construction," Gov. Jared Polis, [the nation's most pot-friendly politician](#), said in a written statement.

Still, with Wednesday's news many will ask where all that tax money goes. "It's one of the most frequently asked questions we are asked," said Shannon Gray, a spokeswoman for the Colorado Department of Revenue.

It's imposed like this for retail marijuana: A 15% percent excise tax is levied on recreational cannabis when it is sold from a cultivation facility to a store of manufacturer. Retail pot purchasers then must pay a 15% tax when they get to the counter.

To answer the question of where those dollars end up, the Colorado Department of Revenue released the following chart to clear things up:

Distribution of Marijuana Tax and Fee Revenue for FY 2018-19



(Provided by the Colorado Department of Revenue.)

The marijuana tax cash fund, which receives the largest share of cannabis-related revenue, must be used for health care, health education, substance abuse prevention and treatment programs, and law enforcement. State lawmakers decided exactly how it's spent.

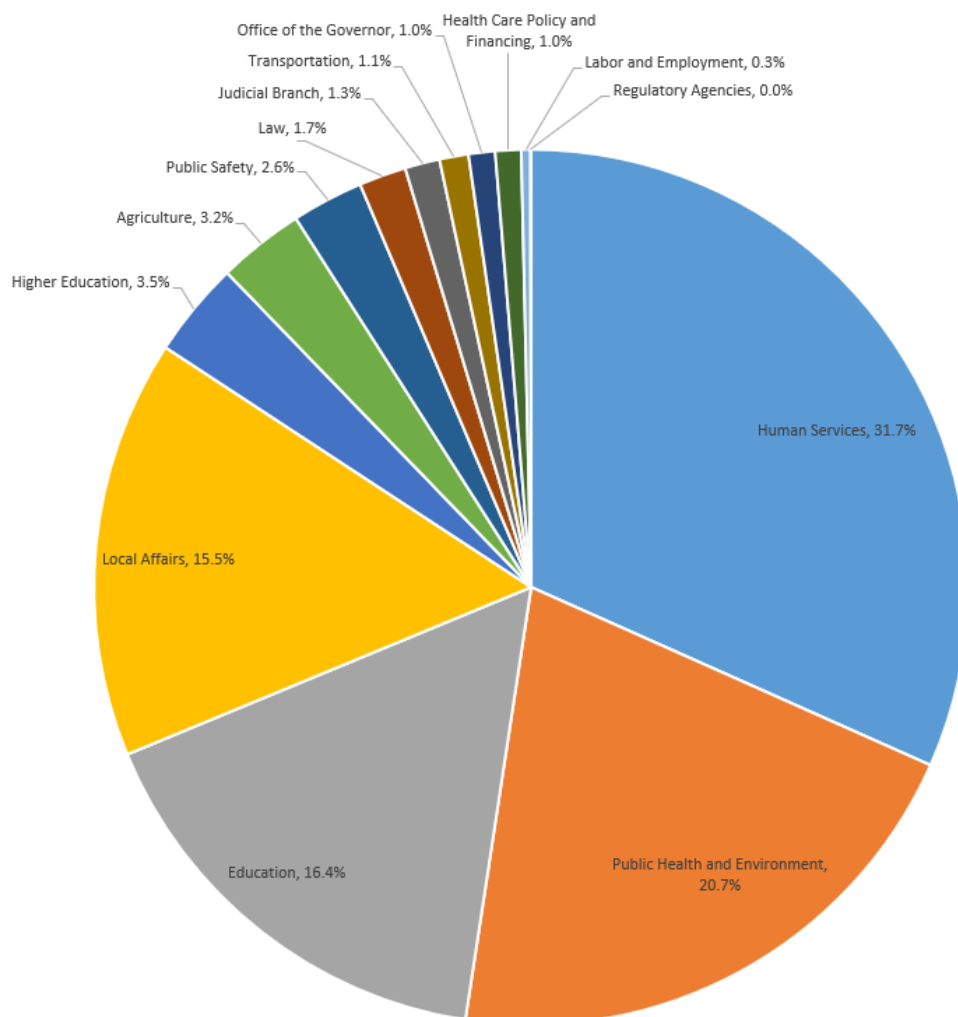
"There are some set categories and there are percentages of how much of that goes to the categories," said state Sen. Rachel Zenzinger, an Arvada Democrat and state budget writer.

One third of the marijuana cash fund money's use is undesignated, giving state lawmakers some leeway.

"It almost always happens in alignment with a bill," Zenzinger said, adding that budget writers tried to limit use of money from the fund to one-time payments instead of recurring programs.

Here's where all that money has been spent since 2014, broken out by category:

Marijuana Tax Cash Fund Budget, FY2014-15 - FY2019-20



(Provided by the Colorado Department of Revenue.)