## Colorado's Marijuana Excise Tax and BEST Grant Program

<table>
<thead>
<tr>
<th></th>
<th>Tax Rate</th>
<th>Medical Marijuana</th>
<th>Retail Marijuana</th>
<th>$ to K-12 BEST Grant Program</th>
<th>FY13-14 $ to BEST</th>
<th>FY14-15 $ to BEST</th>
<th>FY15-16 $ to BEST</th>
<th>FY16-17 $ to BEST</th>
<th>FY17-18 $ to BEST</th>
<th>FY18-19 $ to BEST</th>
<th>FY19-20 $ to BEST</th>
<th>FY20-21 $ to BEST</th>
<th>FY21-22 $ to BEST</th>
<th>FY22-23 $ to BEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Sales Tax</td>
<td>2.9%</td>
<td>Yes</td>
<td>No</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
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</tr>
<tr>
<td>Special Sales Tax</td>
<td>15.0%</td>
<td>no</td>
<td>Yes</td>
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<tr>
<td>Excise Tax</td>
<td>15.5%</td>
<td>no</td>
<td>Yes</td>
<td>1st $40M (annual)</td>
<td>$3M</td>
<td>$23.9M</td>
<td>$80M*</td>
<td>$40M</td>
<td>$40M</td>
<td>$40M</td>
<td>$89.7M</td>
<td>$120.3M</td>
<td>$97.3M</td>
<td>$55.9M</td>
</tr>
</tbody>
</table>

*Includes initial $40M and annual $40M*

BEST (Building Excellent Schools Today) Grant Program, established in 2008, competitive grant program for district, BOCES and charter school capital needs.

CDE's Statewide Facility Assessment State Report FY09-10: $13.9B in need, 8,419 buildings in 178 school districts. Forecasted need by 2018: $17.8B.

Data Source: Colorado Legislative Council & CDE
• In 2012, **Amendment 64** passed in Colorado. It allows adults over 21 years of age to buy and use marijuana. It assessed an excise tax for school construction, through a grant program.

• In 2013 voters approved **Proposition AA**. This allowed for an excise tax *up to 15 percent* on unprocessed marijuana and a state sales tax *up to 15 percent* on retail marijuana sales. In addition to the general 2.9 percent sales tax.

• In 2018, the legislature passed **HB18-1070**. It stipulates that 90 percent of the **excise tax** revenue collected OR the first $40 million, whichever is greater, is to be allocated to the Capital Construction Assistance Fund for the Building Excellent School Today (BEST) competitive grant program.

• Then ten percent of the state’s 15 percent **sales tax** on retail marijuana will be distributed to local governments based on the percentage of retail sales within the city/county boundaries.

• The remaining 90 percent of the **sales tax** were allocated in FY2018-19 and beyond as follows:
  - 15.56 percent to the General Fund
  - 71.85 percent to the Marijuana Tax Cash Fund (MTCF)
  - 12.59 percent credited to the state Public School Fund and distributed to all districts accordingly

• In 2019, HB-1055 mandated that 100% of excise tax on retail marijuana must be collected for school construction.

• In Fiscal Year 2020-21, $175.M came from Marijuana funding and $120.3M went into the Public School Capital Construction Assistance Fund.

• From FY 2013-14 through FY 2020-21, a total of $385.3 million from marijuana excise tax revenue has been credited to the PSCCAF and the Permanent Fund, including:
  - $317.7 million to the Public School Capital Construction Assistance Fund
  - $67.6 million to the Public School Permanent Fund

• In 2022, **HB22-1341** was passed to permit the general assembly to appropriate money from the general fund for the same fiscal year in which was received.
  - It also delayed a portion of a transfer from the fund to the BEST fund.
  - This act transferred $50M on June 1, 2022

• During the 2023 legislative session, **SB23-220** was passed requiring the public school capital construction assistance board to allocate $49.7M from public school capital construction assistance board cash grants to be used for projects that were more expensive due to inflation
  - This act transfers $15M from the state education fund

** Above information from "Marijuana Tax Revenue and Education", Colorado Department of Education and Colorado General Assembly. Access 2022-23 info [here](#).