

**CSFP Briefing Document:
Marijuana Excise Tax and BEST Grant Program**

Colorado's Marijuana Excise Tax and BEST Grant Program										
	Tax Rate	Medical Marijuana	Retail Marijuana	\$ to K-12 BEST Grant Program	FY13-14 \$ to BEST	FY14-15 \$ to BEST	FY15-16 \$ to BEST	FY 16-17 \$ to BEST	FY 17-18 \$ to BEST	FY 18-19 \$ to BEST
State Sales Tax	2.9%	Yes	Yes	no						
Special Sales Tax	10.0%	no	Yes	no						
Excise Tax	15.5%	no	Yes	1st \$40M (annual)	\$3M	\$23.9M	\$80M*	\$40M	\$40M	\$40M
* Includes initial \$40M and annual \$40M										
Building Excellent Schools Today (BEST) 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.

COLORADO SCHOOL FINANCE PROJECT

Support Children - Support The Future

- 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** will be 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

** Above information from "Marijuana Tax Revenue and Education", Colorado Department of Education. [Click here](#) to access the document.