CSFP Briefing Document:  
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>FY 18-19 $ to BEST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Sales Tax</strong></td>
<td>2.9%</td>
<td>Yes</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>
</tr>
<tr>
<td><strong>Special Sales Tax</strong></td>
<td>10.0%</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<td>No</td>
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</tr>
<tr>
<td><strong>Excise Tax</strong></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>
</tr>
</tbody>
</table>

*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.
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.