

# UK Could Earn \$12.6B Annually from Cannabis Legalization

## Cannabis Legalization in the UK Could Generate \$4.38 to \$12.6 Billion in Annual Tax Revenue, Says CLEAR Report

The United Kingdom could see an annual tax revenue boost of between **\$4.38 billion and \$12.6 billion** by legalizing and regulating cannabis for adult use, according to a report from **CLEAR**, a leading cannabis reform advocacy group. The report provides a comprehensive framework for establishing a legal cannabis industry, spanning from cultivation to retail sales, and outlines the potential benefits of such a move for the UK economy and society.

### The Framework for Legal Cannabis in the UK

CLEAR's report proposes the creation of a **cannabis inspectorate** tasked with overseeing commercial cannabis cultivation, importation, distribution, and taxation. This system would mirror the regulated markets of countries like Canada, where over 70% of cannabis sales are now legal after six years of regulated operations.

Peter Reynolds, the president of CLEAR, emphasized that legalizing cannabis in the UK would not only generate billions in tax revenue but also create a safer, more regulated market for cannabis consumers. Reynolds pointed to Canada's model as an example of how legalization can shift a majority of cannabis sales away from the illicit market and into legal, taxed channels.

### Cannabis Market Could Stabilize Illicit Trade

The report notes that legalizing cannabis could help curb the UK's thriving **illicit cannabis market**, which is currently valued at between **£2.9 billion (\$3.84B) and £8.8 billion (\$11.67B)** per year. CLEAR proposes a **£1-per-gram cannabis tax** (\$1.33), which would provide significant tax revenue without pushing consumers back to illegal markets. Over-taxation has been a pitfall in U.S. states like California, where high taxes on legal cannabis have allowed the black market to persist.

"There isn't really any coherent argument against regulating cannabis," Reynolds told *Leafie*. "It will reduce crime, violence, street dealing, underage use, and help prevent children from being dragged into gangs." He added that the reluctance to move forward with cannabis reform in the UK lies in a lack of political will. "The real problem is that our politicians don't have the courage even to discuss it."

### New Approach to Cannabis Cultivation

The report also outlines a **progressive approach to home cultivation** of cannabis, suggesting that adults should be allowed to grow up to three indoor cannabis plants and three more under natural light, or a total of six outdoor plants. Additionally, there would be provisions for cultivating cuttings and seedlings in a separate

space. This proposal offers more personal freedom compared to other countries with stricter cultivation laws, positioning the UK as a potential leader in liberal cannabis cultivation policies.

Reynolds believes this approach could stimulate local economies by enabling small-scale growers while maintaining regulatory oversight. “Our proposals are business-friendly,” he said. “Get this right, and we can create thousands of new jobs, fight crime, and protect children. When will our politicians wake up?”

### **Potential Social and Health Benefits**

Beyond the economic upside, cannabis regulation could lead to **substantial public health benefits**. Studies cited in the report suggest that cannabis regulation is associated with **reduced teen cannabis use, lower alcohol and cigarette consumption, and even fewer opioid-related deaths**.

An estimated **1.5 to 2.7 million people** in the UK use cannabis monthly, with around 10 million having used it in the past year. CLEAR’s report argues that regulation would provide a safer environment for these users by ensuring quality control and offering a legal alternative to the black market. The group also warns against over-taxation, which could undermine these benefits.

The report contrasts the U.S. experience in states like California, where high taxes have kept illicit markets alive, with **Canada’s model**, which has successfully shifted the majority of cannabis sales into legal channels. Canada’s more balanced tax structure has helped maintain competitive pricing, encouraging consumers to buy from regulated sources.

As the UK continues to debate cannabis legalization, CLEAR’s report presents a compelling case for the economic, social, and health benefits of a regulated cannabis market. With billions of dollars in potential tax revenue and the opportunity to significantly reduce crime, violence, and the illicit cannabis trade, advocates argue that it’s time for UK lawmakers to seriously consider reform. Whether this report will be enough to spur political action remains to be seen, but it has certainly added fuel to the ongoing debate over cannabis legalization in the UK.

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