

# Green Gold: Cannabis Excise Tax Revenue Tops \$2.9 Billion in 2023

**Washington boasts the nation's highest cannabis excise tax rate but falls short in its cannabis revenue contribution to total state tax revenue.**

In the United States, the way cannabis taxes are set up varies a lot from state to state. Each state has its own rules, which can make things confusing.

For example, in Alaska, they charge a tax based on how much the cannabis weighs. They add \$50 for every ounce of cannabis sold from the grower to the store. This means the amount of tax changes as the price of cannabis changes.

In New York, they have a different system. They charge a tax based on how much THC (the active ingredient in cannabis) is in the product. They add \$0.03 for every milligram of THC in edibles and \$0.008 for concentrates. For the plant itself, they charge \$0.005 for every milligram of THC. On top of this, there's also a 13% tax when you buy cannabis in a store.

The tax rates for selling cannabis in stores also vary a lot. For example, in Washington state, they have a tax rate of 37%, but in Missouri, it's only 6%. Washington legalized cannabis for adults to use in 2012, which is a lot earlier than Missouri did.

Even though cannabis taxes can bring in a lot of money for the government, they don't make up a big part of the total taxes collected by the state. Lawmakers in each state have to decide how to use this money. Some want to use it for things like schools or police, while others think it's more important to make sure that cannabis sold in stores is safe and tested for things that could be harmful.

In recent years, some states have been lowering their cannabis taxes. Missouri, Maryland, Delaware, Minnesota, and Ohio all have lower tax rates compared to states like Washington, Alaska, and Colorado, which were some of the first states to legalize cannabis.

Overall, cannabis taxes are just a small part of a state's total tax income. The information here is based on data collected by the U.S. Census Bureau for 23 states and Washington, D.C., which altogether brought in around \$2.9 billion in cannabis taxes in 2023.

Please note that this data is considered new and experimental by the U.S. Census Bureau, and some numbers might not match what each state reports. Additionally, New Jersey and Maryland didn't have complete data available for this report. Finally, in most states, medical cannabis isn't taxed in the same way as recreational cannabis.

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