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JULY MARIJUANA REVENUE STATISTICS NEWS RELEASE

October 9, 2018

Nevada's marijuana tax revenue sets new record during first month of new fiscal year, generating \$7.9 million

Statement from Bill Anderson, Executive Director, Nevada Department of Taxation

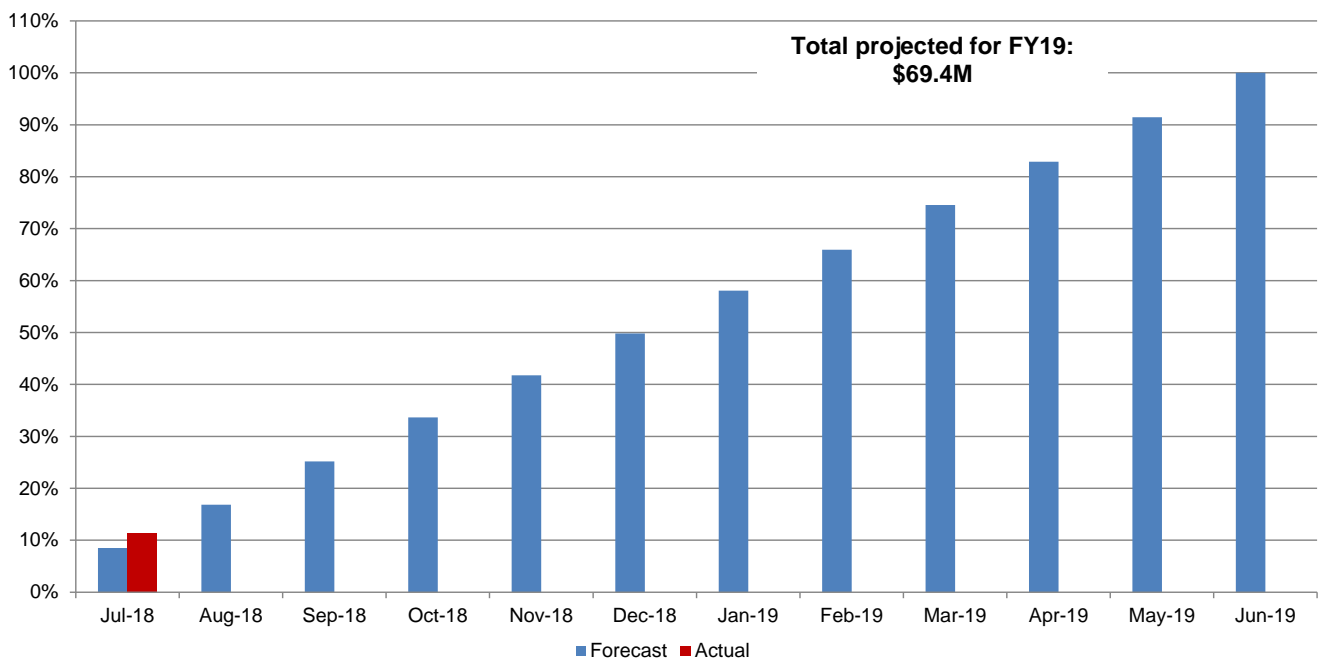
July kicked off the start of a new state fiscal year, and tax revenue from marijuana hit a new all-time record of \$7.9 million for a month. That's a gain of about \$4.2 million over last July, which was the first month of adult-use sales and included only businesses from a first round of state licensing. While last July might not be a completely fair comparison, this July's revenue beats out the top three months of last fiscal year, which each came in at around \$7.1 million. The month's total tax revenue includes collections from both the wholesale tax (on medical and adult-use) and the retail tax (adult-use only). While the total combined revenue from these taxes hit a new peak, this July is the third largest month for adult-use sales, which were just shy of \$41 million. That amounts to \$4.1 million in revenue from the retail tax for the month. The wholesale tax generated \$3.8 million, which is its largest month of collections to date. The combined taxes are projected to bring in \$69.4 million over the course of this fiscal year, which runs through June 2019. Looking to last year's better-than-expected revenue performance that yielded nearly 140 percent of projections—combined with the Department issuing a crop of new retail store licenses this December—we expect to see these revenues continue to perform solidly into the new fiscal year.

Highlights

- Marijuana tax revenues totaled \$7.9 million in July
 - The Wholesale Marijuana Tax generated \$3.8 million in July
 - The Retail Marijuana Tax generated \$4.1 million in July
- July is the largest month of combined marijuana tax revenue to date; The prior three largest months were March, May, and June of 2018, and each saw revenues around \$7.1 million
- The total amount of marijuana tax revenue projected for fiscal year 2019 is \$69.4 million
 - Fiscal year 2019 projections for Wholesale Marijuana Tax were \$32.4 million
 - Fiscal year 2019 projections for Retail Marijuana Tax were \$37 million
 - Combined marijuana tax revenues totaled \$69.8 for fiscal year 2018
- Taxable sales of adult-use marijuana totaled about \$41 million in July
- Total combined taxable sales for medical marijuana, adult-use marijuana, and marijuana-related tangible goods totaled \$48.4 million in July

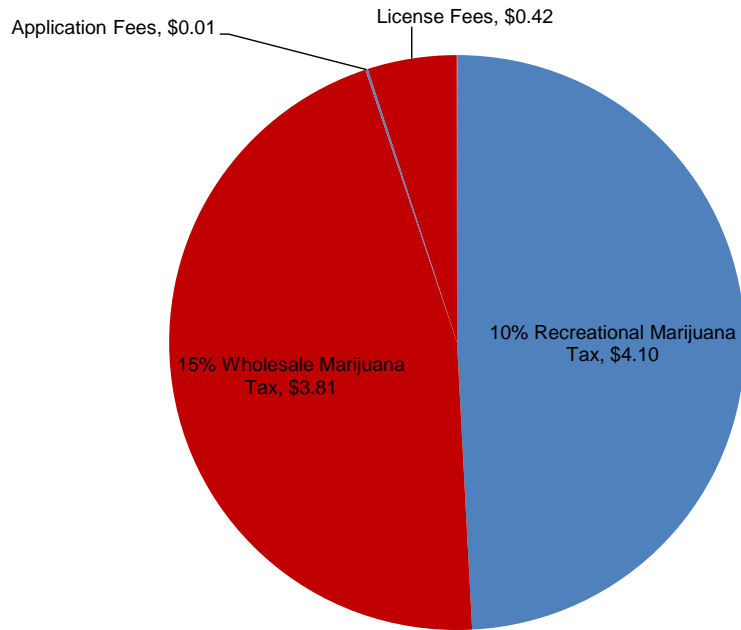
- Marijuana-related fees, penalties, and assessments generated \$2.6 million in July
- The Wholesale Marijuana Tax rate is 15 percent; the revenues from this tax, along with fees/penalties/assessments, first go to fund the Department’s costs of administering the marijuana program, \$5 million per fiscal year goes to local governments, and the remainder goes to the state Distributive School Account
 - The distribution to the DSA totaled \$27.5 million last fiscal year
- The Retail Marijuana Tax rate is 10 percent; the revenues from this tax go the state Rainy Day Fund

**Combined marijuana excise tax collections come in strong for first month of new fiscal year;
Above projections by about 34% for July**

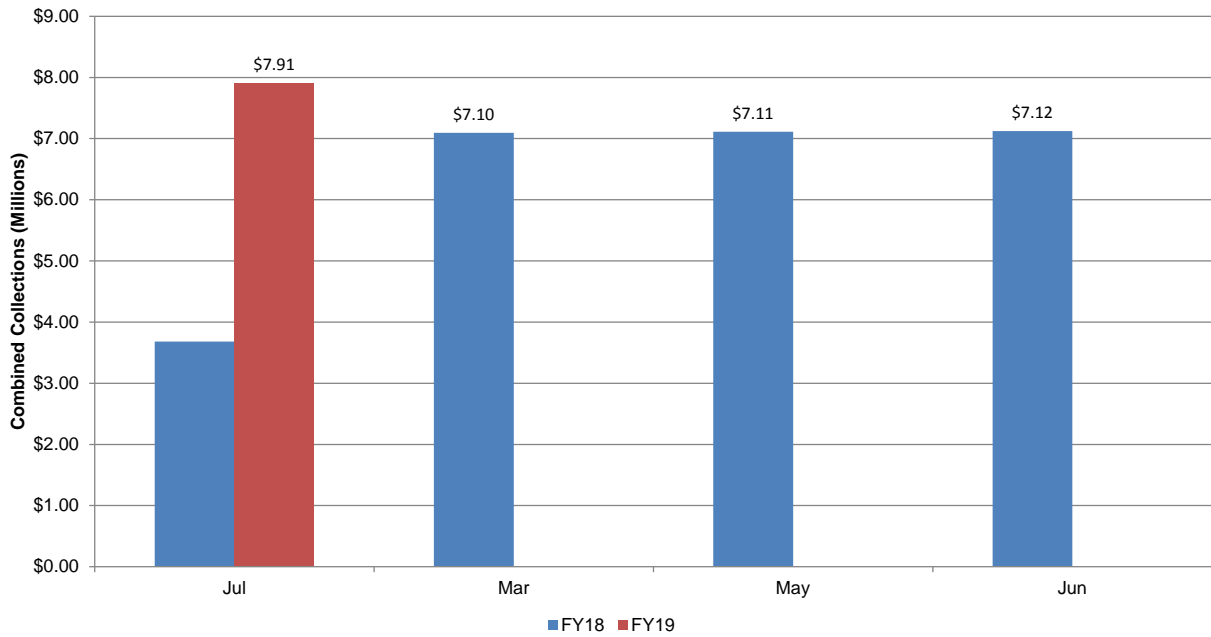


Fiscal year 2019 projections were established in 2017, prior to the launch of adult-use sales, and do not include adjustments based on actual collections in fiscal year 2018

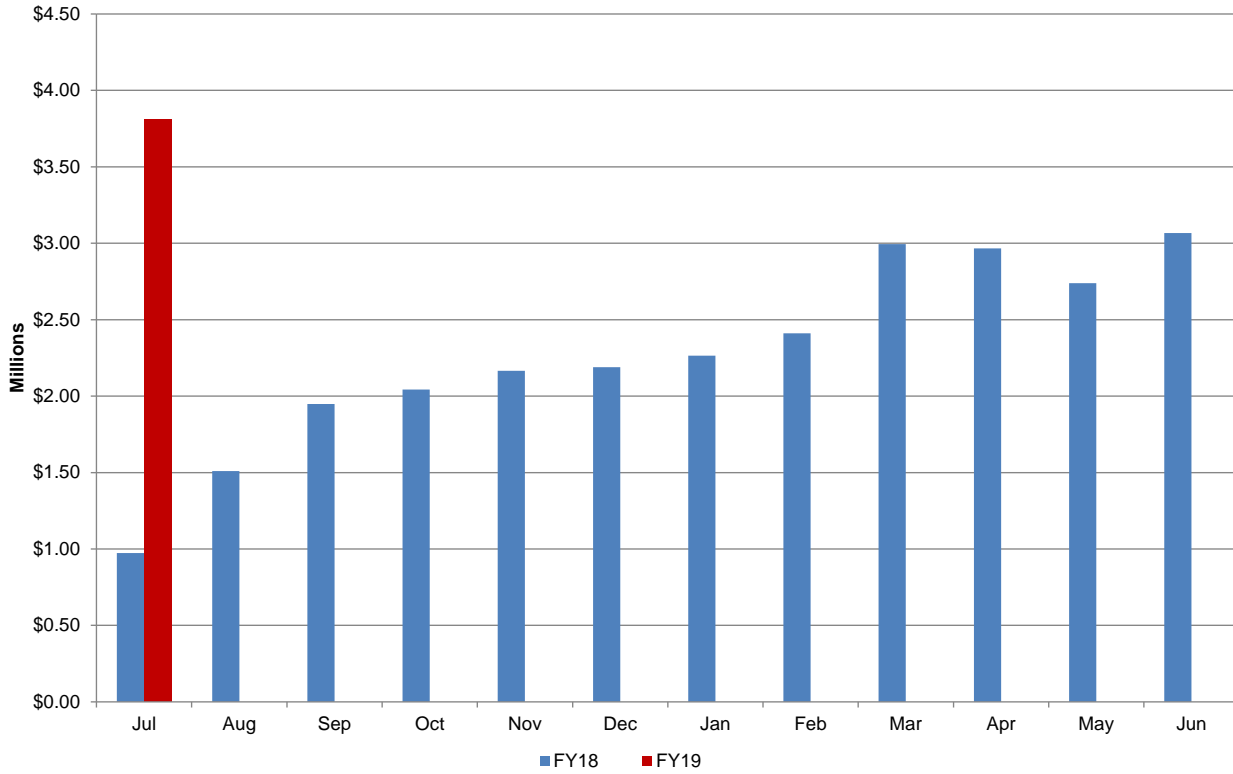
Marijuana excise taxes generated \$7.9M in July



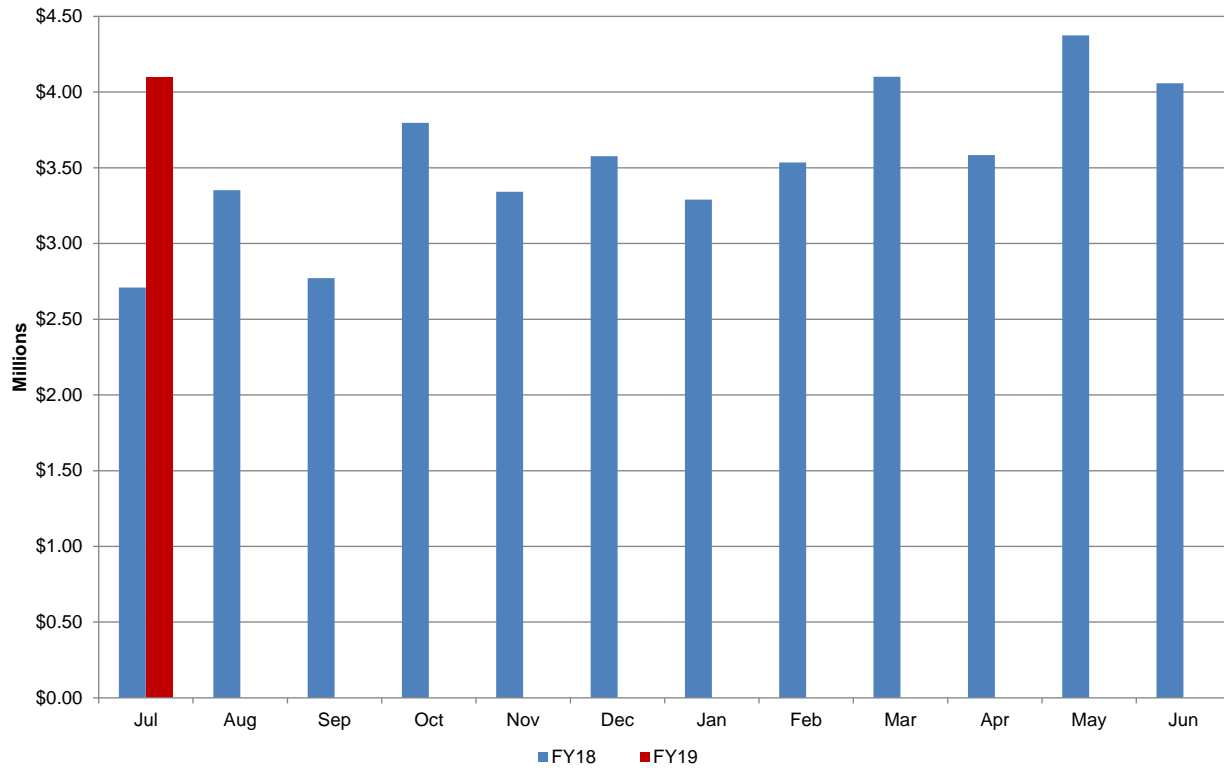
Combined July 2018 collections generate \$4.2 million more than July 2017 and outperform previous top months by about \$800,000



**July collections for the 15% Wholesale Marijuana Tax top \$3.8M;
Largest month on record**



**10% Retail Marijuana Tax collections come in at nearly \$4.1M in July;
Third largest month on record**



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