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## JUNE MARIJUANA REVENUE STATISTICS NEWS RELEASE

August 28, 2018

### **Nevada collects \$69.8 million in tax revenue during first year of legal adult-use sales—about 140 percent of what the state anticipated**

*\$27.5 million in marijuana tax revenue transferred to the state Distributive School Account*

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

With June's marijuana revenue figures now on the books, Nevada closed out the first full year of adult-use sales with marijuana tax collections totaling \$69.8 million for the fiscal year—about 140 percent of what the state expected to bring in. The last four months of the fiscal year proved to be the most robust months for marijuana tax revenue, with each month's totals topping \$6.5 million. At the end of June, there were 64 medical marijuana dispensaries open in Nevada, with 61 of those licensed to also sell adult-use marijuana. For the fiscal year, these state-licensed dispensaries and retail stores saw total taxable sales—which includes adult-use marijuana, medical marijuana, and marijuana-related tangible goods—of \$529.9 million. Adult-use marijuana sales totaled \$424.9 million for the year, generating \$42.5 million in tax collections through the 10 percent Retail Marijuana Tax. The 15 percent Wholesale Marijuana Tax brought in close to \$27.3 million for the fiscal year. Revenues from the wholesale tax, along with application and licensing fees, go primarily to education in Nevada, via the state Distributive School Account. With the closing of the fiscal year, the Department of Taxation transferred a total of \$27.5 million to that education account. All revenues from the Retail Marijuana Tax have been distributed to the state's Rainy Day Fund.

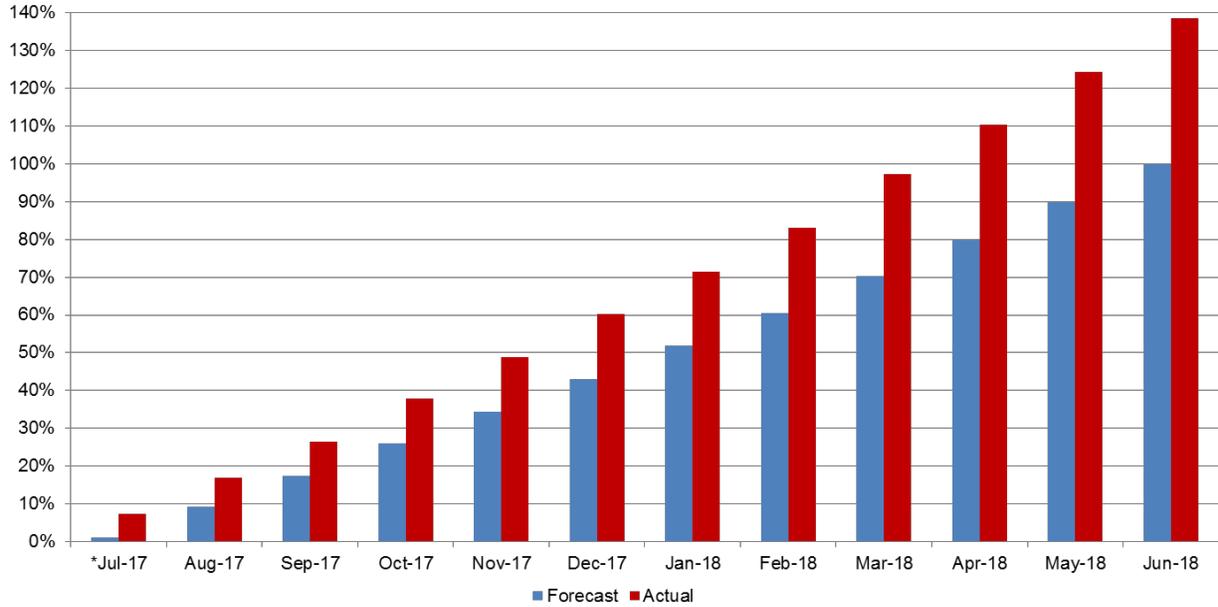
Nevada's first year with a legal adult-use market has not only exceeded revenue expectations, but proven to be a largely successful one from a regulatory standpoint. We have not experienced any major hiccups or compliance issues, and our enforcement staff has worked diligently to make sure these businesses understand and comply with the laws and regulations that govern them. As we move into fiscal year 2019, we expect to see continued growth in the industry by way of additional businesses opening up, and we expect revenues to continue to be strong. The state's consensus forecast for fiscal year 2019 combined marijuana tax revenue is \$69.4 million.

#### Highlights

- Marijuana tax revenues totaled \$7.12 million in June
  - The Wholesale Marijuana Tax generated \$3.06 million in June
  - The Retail Marijuana Tax generated \$4.06 million in June
- The last four months of the fiscal year were the largest revenue months; April revenues totaled \$6.6 million and March, May, and June each totaled around \$7.1 million

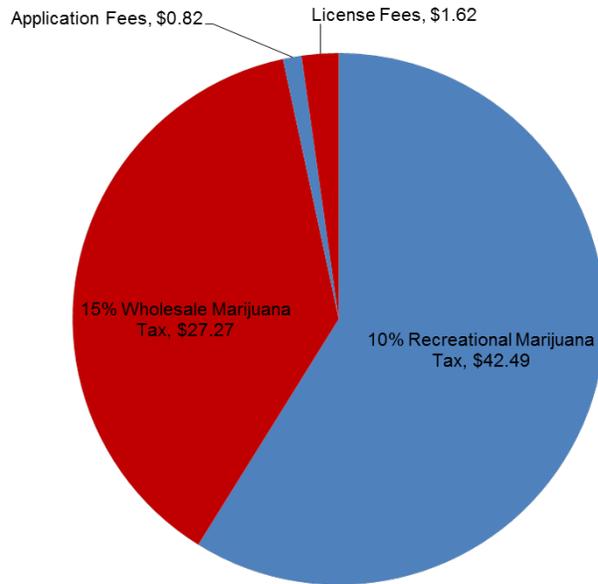
- Marijuana tax revenues total \$69.8 for fiscal year 2018 (July 2017-June 2018)
  - The Wholesale Marijuana Tax generated \$27.3 million in fiscal year 2018
  - The Retail Marijuana Tax generated \$42.5 million in fiscal year 2018
- The total amount of marijuana tax revenue projected for fiscal year 2018 was \$50.3 million
  - Fiscal year 2018 projections for Wholesale Marijuana Tax were \$23.8 million
  - Fiscal year 2018 projections for Retail Marijuana Tax were \$26.5 million
- Total taxable sales of adult-use marijuana totaled \$424.9 million in fiscal year 2018
- Total combined taxable sales for medical marijuana, adult-use marijuana, and marijuana-related tangible goods totaled \$529.9 million in fiscal year 2018
- Marijuana-related fees, penalties, and assessments generated \$10.7 million in fiscal year 2018
- 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
  - **In August, the Department completed the fiscal year 2018 distribution to the DSA in the amount of \$27.5 million**
- The Retail Marijuana Tax rate is 10 percent; the revenues from this tax go the state Rainy Day Fund
  - **The Department distributed a total of \$42.5 million to the state Rainy Day Fund in fiscal year 2018**

**Marijuana excise tax collections came in at nearly 140% of what was projected for fiscal year 2018**

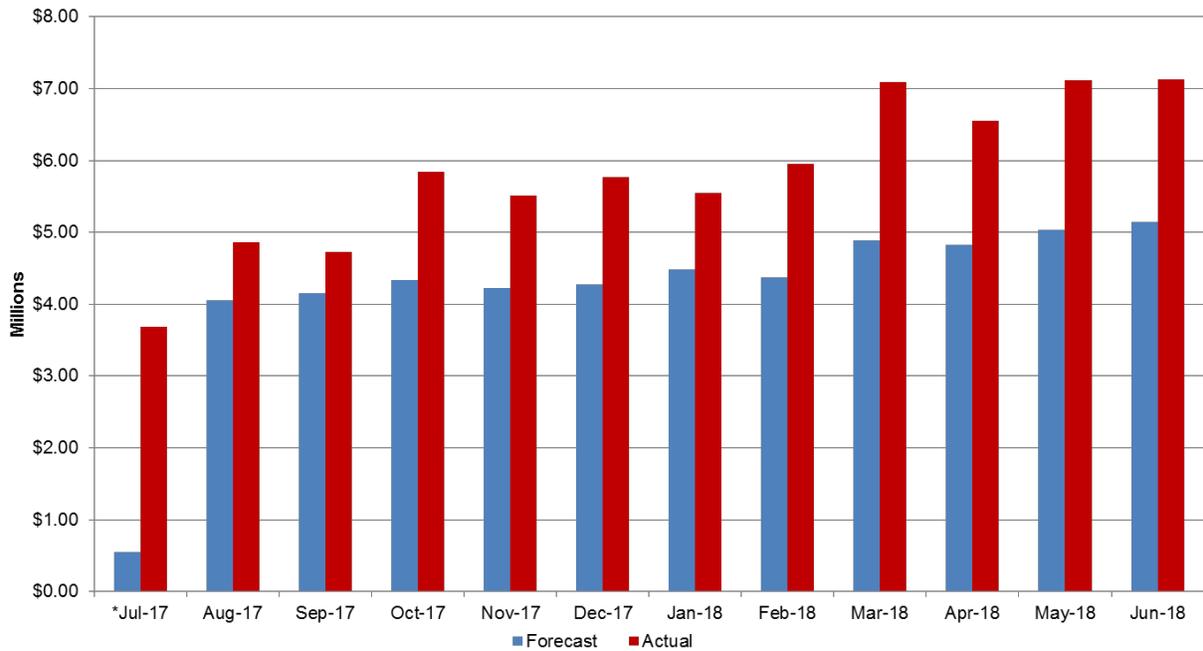


\*No revenue estimated in recreational market for July 2017 due to uncertainty of local governments issuing permits before July 1st.

**Fiscal year 2018: \$69.8 million in excise tax collections vs. \$50.3 million projected**

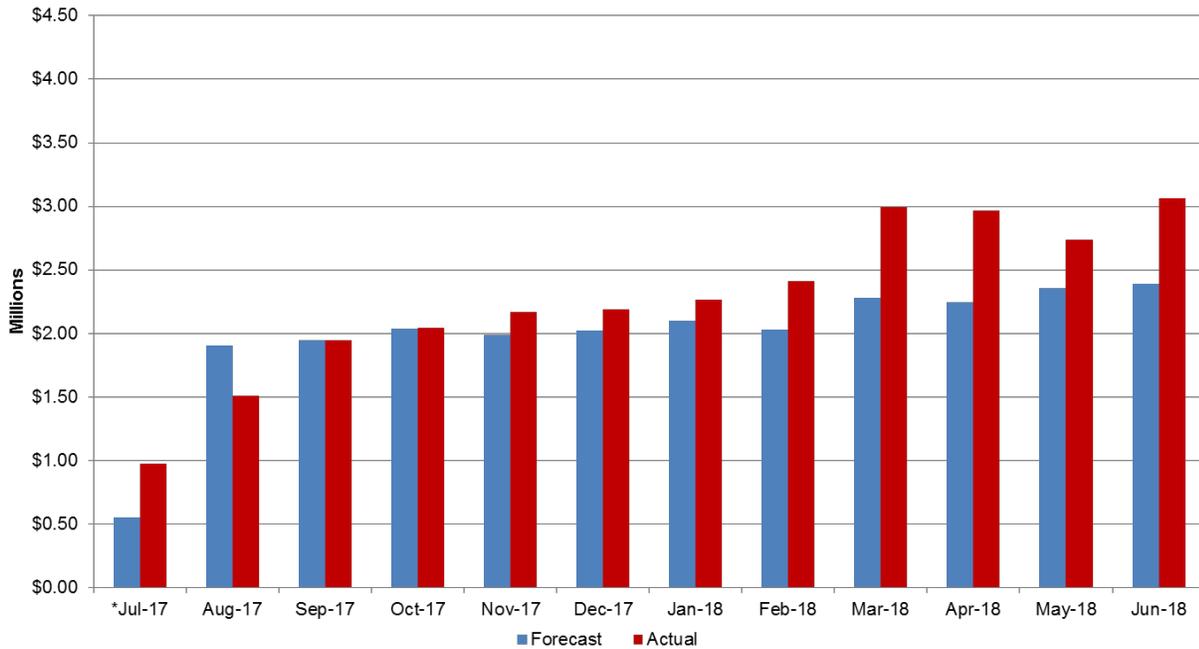


**Last four months of tax revenue collections were the largest months in fiscal year 2018**



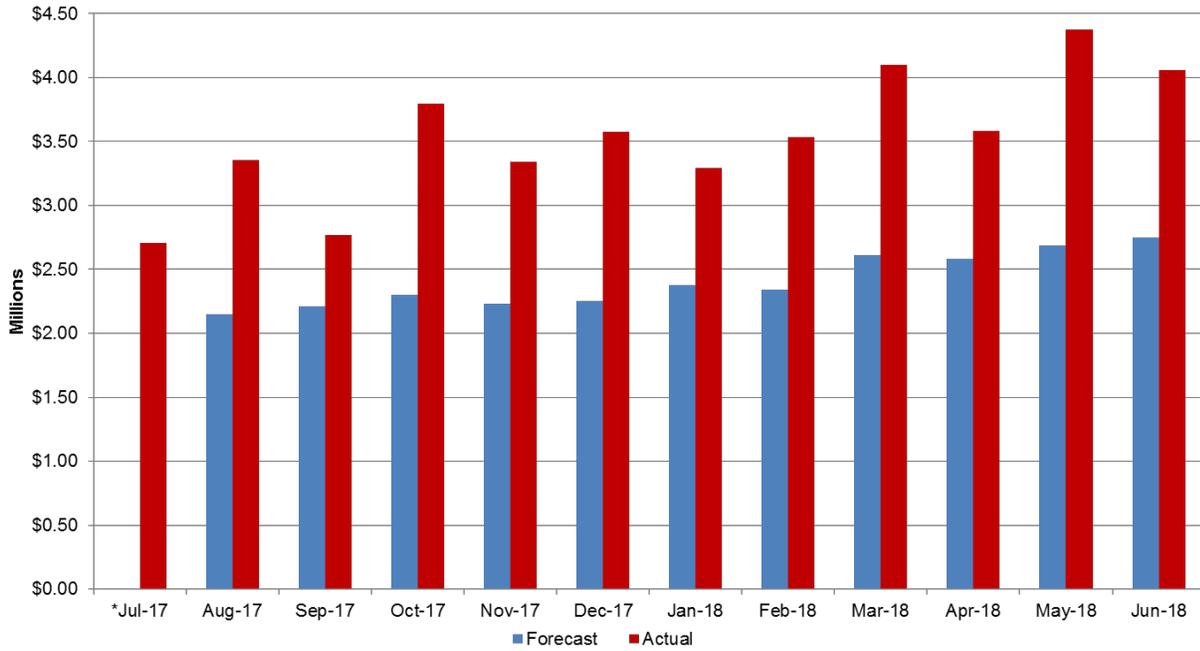
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**15% Wholesale Marijuana Tax revenues were more than \$3 million for June  
*Above forecast and trending upward***



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**10% Retail Marijuana Tax revenues were more than \$4.5 million for June  
Coming in well above projections**



\*No revenue estimated for July 2017 due to uncertainty of local governments issuing permits before July 1st.

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