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MAY MARIJUANA REVENUE STATISTICS NEWS RELEASE

July 26, 2018

Nevada's marijuana tax revenues hit new \$7.11 million peak in May, with year-to-date collections totaling \$62.64 million

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

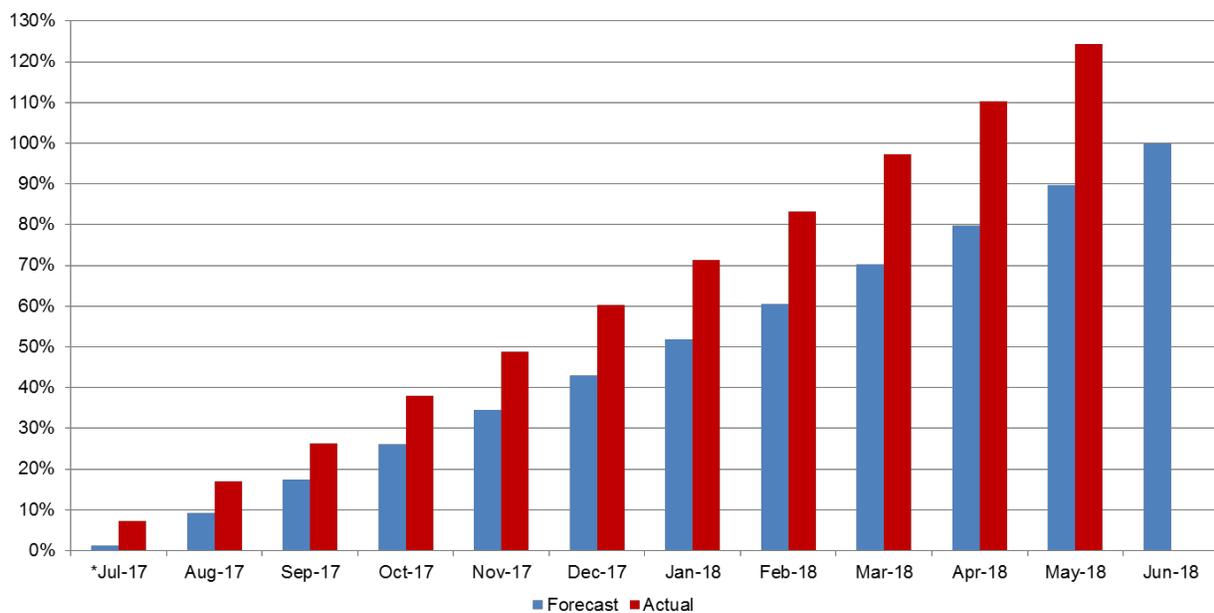
May proved to be the most robust month yet for marijuana tax revenue in Nevada, with collections totaling \$7.11 million, bringing total collections for the first 11 months of the year to \$62.64 million. Last month, the state had already surpassed projections for the entire fiscal year, meaning any collections in May and June—the remaining months of the fiscal year—would further drive the total above projections. With May collections tallied, we are now at nearly 125 percent of projections for the entire fiscal year, and June collections are still to come. Marijuana tax revenues are composed of two different taxes. The 15 percent Wholesale Marijuana Tax is paid on the first sale by growers and contributed \$2.74 million to May's numbers. The 10 percent Retail Marijuana Tax is paid by customers on their purchases of adult-use (recreational) marijuana, and it brought in \$4.37 million in May. This translates to statewide adult-use marijuana sales totaling \$43.74 million for the month, also a new record since legalized sales began last July. When combined with medical sales and sales of marijuana-related goods, Nevada's state-licensed marijuana dispensaries and retail stores saw a total of \$47.94 million in sales for May. Since adult-use began last July and through the May tally, sales for the Silver State's licensed marijuana dispensaries and retail stores totals \$481.46 million. That represents about 17 percent of the overall taxable sales growth seen across all Nevada sectors combined for the July-May period compared to the same period last year. While marijuana-related sales may be a fairly small portion of overall sales activity in the state, they have clearly contributed to the growth Nevada has witnessed over the fiscal year that draws to a close in June. Given the month-to-month trends in marijuana-related sales and revenues we have observed, indications are that we can reasonably expect those trends to continue with June's numbers and into the next fiscal year.

Highlights

- Marijuana tax revenues totaled \$7.11 million in May
 - The Wholesale Marijuana Tax generated \$2.74 million in May
 - The Retail Marijuana Tax generated \$4.37 million in May
- March 2018 was the second largest month of marijuana tax revenue at \$7.09 million; July 2017 was the smallest at \$3.68 million

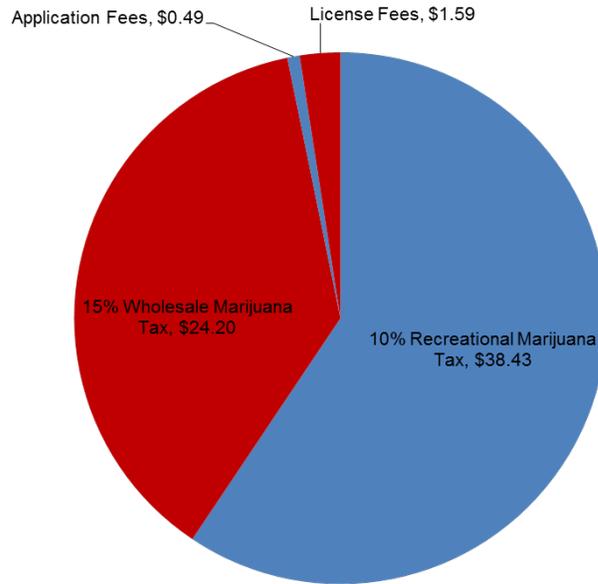
- Marijuana tax revenues total \$62.64 million fiscal year to date (July 2017-May 2018)
 - The Wholesale Marijuana Tax has generated \$24.20 million fiscal year to date
 - The Retail Marijuana Tax has generated \$38.43 million fiscal year to date
- The total amount of marijuana tax revenue projected for fiscal year 2018 is \$50.32 million
 - Fiscal year 2018 projections for Wholesale Marijuana Tax are \$23.84 million
 - Fiscal year 2018 projections for Retail Marijuana Tax are \$26.48 million
- Total taxable sales of adult-use marijuana to date is \$384.31 million
- Total combined taxable sales for medical marijuana, adult-use marijuana, and marijuana-related tangible goods for the first 11 months of the fiscal year is \$481.46 million
- Marijuana-related fees, penalties, and assessments have generated \$10.22 million to date
- 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 Retail Marijuana Tax rate is 10 percent; the revenues from this tax go the state Rainy Day Fund

During the first 11 months of the fiscal year, excise tax collections are nearly 125% of those projected for the entire year

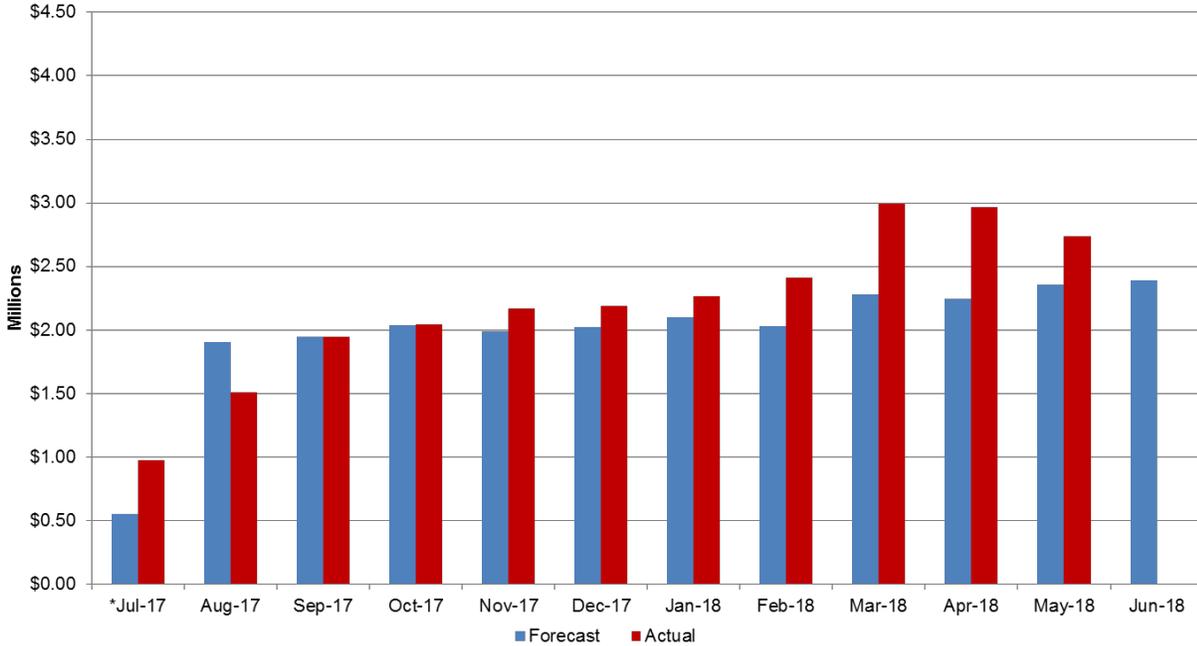


*No revenue estimated in recreational market for July 2017 due to uncertainty of local governments issuing permits before July 1st.

\$62.64M in excise tax collections through May vs. \$50.32M forecasted for entire year

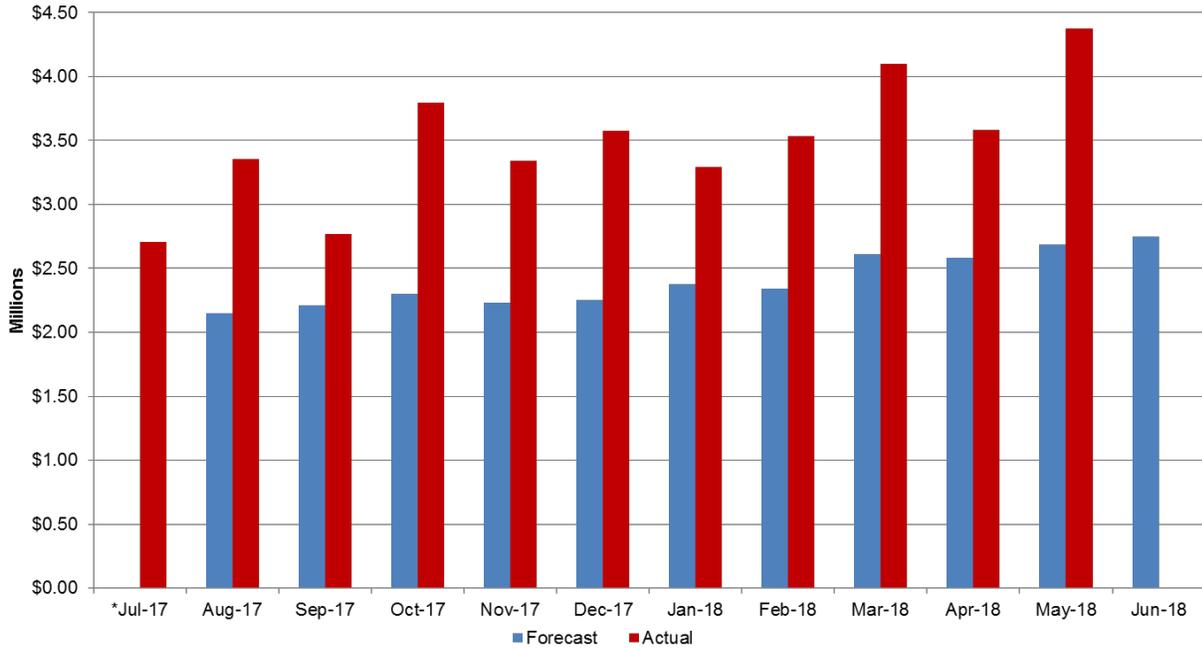


15% Wholesale Marijuana Tax revenues nearly \$3M for May; Declining slightly from peak in March but overall still above forecast and trending upward



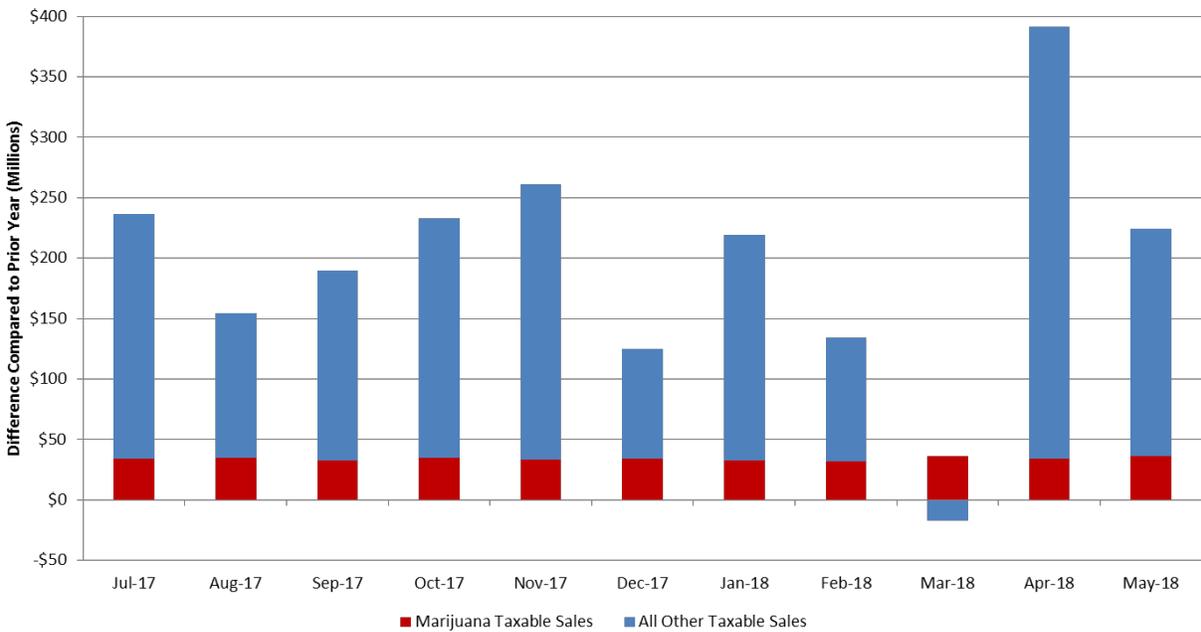
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**10% Retail Marijuana Tax collections coming in well above projections;
 Nearly \$4.5M collected in May**



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The launch of the adult-use marijuana industry accounts for a bit more than 17% of the overall growth in Nevada’s taxable sales base so far this fiscal year



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