



City Council Meeting

June 28, 2021

2nd Reading:
Marijuana Special Sales Tax
Marijuana Cultivation Excise Tax
Cigarette Special Sales Tax



Retail Marijuana: Special Tax and Excise Tax

Retail Marijuana – Special Tax and Excise Tax

Questions to Address	City Council Study Session (5/3/21)	Budget & Audit Board (5/17/21)
Should a special tax be placed on retail marijuana (in the ballot language)?	Yes	Yes
Should an excise tax be placed on cultivation (in the ballot language)?	Yes	Yes
What should the special tax and excise tax rate percentages be set at for 2022?	Majority of comments at 5%	7%
What should the parameters of the escalation clause be?	Not determined	Up to 15%



Retail Marijuana – Special Tax and Excise Tax

Retail Marijuana (10 stores)			
Special Tax Options	Estimated Revenue (\$M)		
	Special Tax	Excise	Total
3%	\$1.5	\$0.2	\$1.7
4%	\$2.0	\$0.3	\$2.3
5%	\$2.6	\$0.4	\$2.9
6%	\$3.1	\$0.4	\$3.5
7%	\$3.6	\$0.5	\$4.1
8%	\$4.1	\$0.6	\$4.6
9%	\$4.6	\$0.6	\$5.2
10%	\$5.1	\$0.7	\$5.8

** All store sales are currently subject to the standard sales tax of 3%. The table represents the estimated incremental amount of revenue associated with a special tax or excise tax, assuming that all 10 medical marijuana apply and receive a license to sell retail marijuana. The estimate for excise tax is based on the one approved retail cultivation facility.*



Medical Marijuana: Special Tax and Excise Tax

Medical Marijuana – Special Tax and Excise Tax

Questions to Address	City Council Study Session (5/3/21)	Budget & Audit Board (5/17/21)
Should a special tax be placed on medical marijuana (in the ballot language)?	Discussion limited to retail marijuana	Yes
Should an excise tax be placed on cultivation (in the ballot language)?		3%
What should the special tax and excise tax rate percentages be set at for 2022?		3%
What should the parameters of the escalation clause be?		None



Medical Marijuana – Special Tax and Excise Tax

Medical Marijuana (10 stores)			
Special Tax Options	Estimated Revenue (\$M)		
	Special Tax	Excise	Total
3%	\$0.6	\$0.1	\$0.6
4%	\$0.7	\$0.1	\$0.9
5%	\$0.9	\$0.1	\$1.1
6%	\$1.1	\$0.2	\$1.3
7%	\$1.3	\$0.2	\$1.5
8%	\$1.5	\$0.2	\$1.7
9%	\$1.7	\$0.3	\$1.9
10%	\$1.9	\$0.3	\$2.1

** All store sales are currently subject to the standard sales tax of 3%. The table represents the estimated incremental amount of revenue associated with a special tax or excise tax only on current licensed medical marijuana stores (10) and cultivation facilities (4).*



Cigarettes & Other Tobacco Products – Special Tax



Cigarettes & Other Tobacco Products – Special Tax

Questions to Address	City Council Study Session (5/3/21)	Budget & Audit Board (5/17/21)
Should a special tax be placed on cigarettes and other tobacco products (in the ballot language)?	Yes	Yes
What should the special tax percentage be set at for 2022?	Not determined	20%
What should the parameters of the escalation clause be?	Not determined	Up to 50%

Cigarettes & Other Tobacco Products – Special Tax

Tobacco/Nicotine Special Tax				
Special Tax Options		Estimated Revenue (\$M)		
		\$/Pack	Cigarettes	Other
10%	\$0.89	\$4.5	\$5.1	\$9.6
20%	\$1.79	\$9.0	\$10.1	\$19.1
30%	\$2.68	\$13.6	\$15.2	\$28.7
40%	\$3.58	\$18.1	\$20.2	\$38.3
50%	\$4.47	\$22.6	\$25.3	\$47.9

** All products are currently subject to the standard tax rate of 3.0%. The table represents the estimated incremental amount of revenue associated with a special tax. The calculation is based on Lakewood's proportion of population relative to the state of Colorado.*