

March 1, 2016

Alaska House Finance Committee

Senator Pete Kelly  
[Senator.Pete.Kelly@akleg.gov](mailto:Senator.Pete.Kelly@akleg.gov)  
Fax: 907-465-4714

Senator Mike Dunleavy  
[Senator.Mike.Dunleavy@akleg.gov](mailto:Senator.Mike.Dunleavy@akleg.gov)  
Fax: 907-465-3805

Senator Click Bishop  
[Senator.Click.Bishop@akleg.gov](mailto:Senator.Click.Bishop@akleg.gov)  
Fax: 907-465-5241

HB256: APPROP: OPERATING BUDGET/LOANS/FUNDS

Budget Idea Request

Dear Senators:

My first and foremost thought to solving our issues with the Alaska State budget is to follow in the example of the states that precede us in regards to Marijuana Tax. We've already legalized it, so let's get it going so we can tax it to make it all worth our time.

In Colorado alone, according to the Denver Post posted 10/09/2015, Colorado recreational marijuana sales were coming in at \$59.2 million per month. When combined with medical sales of \$41.4 million per month the total is over \$100 million in sales PER MONTH. I know we're not Colorado, but the evidence of major increase in tax revenue is crystal clear.

According the Denver Post article: "There are three types of state taxes on recreational marijuana: the standard 2.9 percent sales tax, a 10 percent special marijuana sales tax and a 15 percent excise tax on wholesale marijuana transfers. For August, Colorado collected \$11.2 million in recreational taxes and fees and \$2.0 million in medical taxes and fees, bringing the 2015 cumulative revenue total to nearly \$86.7 million. In 2014, total marijuana tax revenue was \$76.2 million." It is obvious that the further along an industry like this gets, the more revenue (tax and business) will only increase.

According to the Huff post Politics 07/06/2015, one year of legal marijuana generated \$70 Million in Tax Revenue for Washington State. This was double the forecasted revenue.

In an awesome article by Investopedia 04/14/15: "Which State generates most tax revenue marijuana sales? Colorado is leading the way at a tax rate 27.9% commercial, 2.9% medical. Washington comes in second with analysts estimating \$1.9 billion in marijuana tax dollars over the first five years."

So I ask you, it is not going to take billions of dollars to run the marijuana department of the state. Colorado had an excess in 2014 that enabled them to set aside \$40 million for schools! Not only will this help Alaskan's, it will obviously make money locally and add additional tourism during the summer months.

Does taxation of marijuana seem more profitable to fixing our budget than taking away our PFD's or a state sales tax of \$6%? I have attached my recent letter to the senators regarding the sales tax and more ideas regarding the budget. I explain how taxing its residents by way of income will only hurt the state; however this is a recreational tax and is much, much more easily accepted by the general public.

Thank you for your time and consideration.

*Adam and Raymie Rushing*

Adam and Raymie Rushing  
PO Box 799  
Delta Junction, AK 99737

attachments: HB134 Letter by Adam and Raymie Rushing 02/24/2016

February 24, 2016

Alaska State Labor & Commerce Committee

The Honorable Senator Mia Costello  
State Capitol Building  
Juneau, AK 99701-1183  
[Senator.Mia.Costello@akleg.gov](mailto:Senator.Mia.Costello@akleg.gov)  
Fax: 907-465-2040

RE: SB 134  
State Sales Tax Proposal of 6%

Dear Senator Mia Costello, Senator Cathy Giessel, Senator Kevin Meyer, Senator Gary Stevens, and Senator Johnny Ellis:

I respectfully wish to have my voice heard prior to the vote to initiate Alaska state tax of 6% as proposed in SB 134.

The letter by the Governor states that this proposed state tax "The relatively modest tax is expected to raise approximately \$200,000,000 annually."

As an Alaskan, I feel my voice needs to be heard on this issue at hand. I also know that many Alaskan's feel the same as I do - that one of the major draws to this state and surviving its unique and harsh conditions is the long standing NO State Income Tax! I will outline below many reasons I am against this action and make it as brief as possible.

1. Alaska is already incredibly expensive to live in. A tax will not increase your population or business, but in turn will hurt the Alaskan economy. I am sure you are familiar with the Council for Community and Economic Research Index, First Quarter 2015. If you have not seen it, I would just take a look at it. To give you an idea, for the Interior of Alaska our utility costs are at 245.3 where as the National Average is 100.0. Alaskans have chosen to live here and it already costs us an arm and a leg to do so. Do you really think our economy, which has a 6.7% unemployment rate, can take on a state income tax too? How will that impact our retirement community whom create commerce in Alaska by residing here income tax free? Will they decide to go to WA, NV, TX or FL? Why not KEEP the residents you already have!

2. The Governor is asking that its citizens take the responsibility of mismanagement of money, leading to a projected \$427 Million deficit next year! Alaska has never needed to incorporate an income tax in prior years in order to prosper; yet the state continues on. No one seems willing to cut the unnecessary items in the budget. Why is it that the answer to Government overspending always seems to be more taxes on the citizens? Those whom have been entrusted to run this Great State's budget need to figure out what THEY are doing wrong and fix it so that it can work on the amount they are already given instead of punishing the State's residents. This may be as simple as using Skype vs Travel, scanning documents vs photocopying. I could easily see millions being saved in those two line items alone! Alaskan's WILL respect those types of cuts, because that is how we handle money in our homes. Cut in the areas where you cannot afford and/or do not need, and trim the fat everywhere else!

3. Consider a state income tax resident exemption. Working in our state is a sizeable population who regularly commute to their homes in the Lower 48. Many of these people have high-paying incomes from the North Slope, commercial fishing and mining. They pay no state income tax to Alaska, and possibly not even in their home state. Yet, Alaska provides for them a paycheck as well as roads, airports, docks, hospitals and other services.

Right now there is NO incentive to LIVE and WORK in Alaska, why not change that? YOU have the power to do so. If you choose to live and work in Alaska don't be penalized, choose to tax those that choose to work in Alaska, yet live out of state and don't get taxed by a state income or a sales tax? Right now it can be cheaper to live in Washington State (no state taxes) and spend the money to fly to work once a month, thus taking ALASKAN money right out of the state!

An income tax with resident exemptions can be easily monitored because of our Permanent Fund Division. Bona fide Alaskan residents receive the PFD, non-residents do not. Therefore, this income tax with resident exemptions could be readily enacted and monitored with minimal expense, as the system is already in place.

SB 134 does not make any sense to me. An income tax not bring any net new money into our economy! We CHOOSE to live in this state with one of the biggest benefits being no state taxes. Everything else here is an expense, including gas for our vehicles - being one of the highest in the nation and utilities being 145.3 CPI ABOVE THE NATIONAL AVERAGE (for us here in the interior). We may not, as a community, be able to afford to ride another expense. In order to have a quality of life, it may force people out of the state! Is Alaska ready to take that responsibility too?

We are Alaskans, and we believe in doing things for ourselves. This is simply taking money from its residents and giving it to the government. This does not create wealth for the state - just transferring over our resources to the government, so it can spend that too. Alaska is not California, DC or New York. As Alaskans are we live in the harshest and most stunning environment possible in the United States! We proudly live here and we do so with respect for state. But living here takes money; so logically following, if you take more from Alaskan's pockets, they have less to feed their families and heat their homes. Let's instead cut where we

need to cut in the budget and make it right! Please don't forget it's our choice to reside in this amazing state, and I don't know if this economy we have can take a state income tax without having significant losses!

Respectfully,

*Adam and Raymie Rushing*

Raymierushing@gmail.com

907-460-0129

Delta Junction, Alaska

reference: Alaska Economic Trends, July 2015

U.S. DRUGS

# Colorado Raised More Tax Revenue From Marijuana Than From Alcohol

Tanya Basu @mstanyabasu | Sept. 16, 2015

**It clocked in at \$70 million last fiscal year alone.**

Pot is a boon for tax revenues in Colorado, outpacing revenue from alcohol taxes in the fiscal year ending on June 30.

Colorado collected almost \$70 million in marijuana taxes during that time, nearly double the \$42 million collected from alcohol taxes. The state had a [tax holiday](#) for marijuana on Wednesday, an event that was welcomed by consumers and producers alike.

The sales tax holiday underscores the sheer productivity of marijuana taxes, Mason Tvert, director of communications for the Marijuana Policy Project, [told the Colorado Spring Business Journal](#).

“Marijuana taxes have been incredibly productive over the past year, so this tax holiday is a much-deserved day off,” Tvert said. “This will be the one day out of the year when the state won’t generate significant revenue. Over the other 364 days, it will bring in tens of millions of dollars that will be reinvested in our state.”

Tvert’s prediction isn’t an exaggeration, as Colorado’s data indicated that the 10% retail tax on marijuana and 15% excise tax for large wholesale weed has been fruitful.

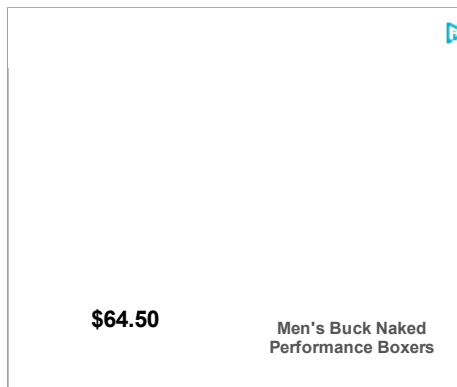
On the state’s one-day tax holiday, shoppers saved about \$20 an ounce on Wednesday, but distributors saved roughly \$300 a pound, with one grower [telling ABC](#) he “probably saved \$45,000 before lunch.”

For a month-by-month breakdown of Colorado marijuana tax collections, click [here](#).



Jon Paciaroni—Moment Editorial/Getty Images

Denver, Colorado- Interior of a commercial medical and recreational marijuana grow facility.



**MARIJUANA ON THE COVER OF TIME**



Cover Credit: GARY TRUDEAU

The Dec. 9, 1996, cover of TIME

1 of 5



©2015 Time Inc. All rights reserved.

© 2016 Time Inc. All rights reserved.  
Powered by WordPress.com VIP

THE DENVER POST (<http://www.denverpost.com>)

# DENVER AND THE WEST (/NEWS)

Denver, CO | Now: 45°

(<http://www.denverpost.com/weather>) | High: 62°

(<http://www.denverpost.com/weather>) | Low: 31°

(<http://www.denverpost.com/weather>) | 5-Day Forecast

(<http://www.denverpost.com/weather>)



**Lakewood mom doubles down, gives birth to second Leap Day child**

(<http://www.denverpost.com/news>)



**Denver, Aurora firefighters battle brush fire on Alameda**

(<http://www.denverpost.com/news>)



**Von Miller wants to be a Bronco for "entire career"**

(<http://www.denverpost.com/broncos>)



**Dam breaks on Colorado barrel bill with water level compromise**

(<http://www.denverpost.com/news>)

## DENVER AND THE WEST

# Colorado monthly marijuana sales eclipse \$100 million mark

Colorado recreational marijuana sales are close to \$60 million in August 2015; medical marijuana sales climb slightly

By Elizabeth Hernandez

*The Denver Post* (<mailto:ehernandez@denverpost.com?subject=The Denver Post:> )

POSTED: 10/09/2015 05:41:12 PM MDT | UPDATED: 5 MONTHS AGO

58 COMMENTS ([HTTP://WWW.DENVERPOST.COM/NEWS/CL\\_28947869/COLORADO-MONTHLY-POT-SALES-PASS-100-MILLION-MARK#DISQUS\\_THREAD](http://www.denverpost.com/news/cl_28947869/colorado-monthly-pot-sales-pass-100-million-mark#DISQUS_THREAD))

Monthly marijuana sales in Colorado have soared past the \$100 million mark for the first time, according to the August recreational and medical marijuana sales data from the state Department of Revenue released Friday.

Once again, marijuana sales surpassed the previous month's numbers with recreational marijuana coming in at \$59.2 million and medical marijuana tallying \$41.4 million.

The combined \$100.6 million in marijuana sales continues the month-to-month record-setting trend for 2015.

Recreational cannabis sales began on Jan. 1, 2014 in Colorado, the first state to launch a retail marijuana program. In that first month, there were \$46.9 million in total sales — \$14.7 million was recreational, \$32.2 million medical. August 2014 marked the first time that recreational sales exceeded medical sales.



([/portlet/article/html/imageDisplay.jsp?](/portlet/article/html/imageDisplay.jsp?contentItemRelationshipId=7131374)

[contentItemRelationshipId=7131374](/portlet/article/html/imageDisplay.jsp?contentItemRelationshipId=7131374))

Colorado marijuana sales in August surpassed \$100 million for the first time. (Denver Post file)

## Get news alerts in your inbox

Sign up for updates and a curated roundup of news delivered to your inbox every morning.

Email Address

**SUBSCRIBE**

There are three types of state taxes on recreational marijuana: the standard 2.9 percent sales tax, a 10 percent special marijuana sales tax and a 15 percent excise tax on wholesale marijuana transfers. For August, Colorado collected \$11.2 million in recreational taxes and fees and \$2.0 million in medical taxes and fees, bringing the 2015 cumulative revenue total to nearly \$86.7 million. In 2014, total marijuana revenue was \$76.2 million.

Perhaps the most-watched figure in the state's marijuana tax data is the 15 percent excise tax that is earmarked for school construction projects. In August, that tax brought in \$3.3 million, up from \$3.1 million in July.

Another state recently joined Colorado and Washington in selling marijuana to adults 21 and older. [During Oregon's first week \(http://www.thecannabist.co/2015/10/09/oregon-marijuana-sales-recreational-debut-colorado-washington/42068/\)](http://www.thecannabist.co/2015/10/09/oregon-marijuana-sales-recreational-debut-colorado-washington/42068/) of legal recreational marijuana sales, which started Oct. 1, retailers sold an estimated \$11 million worth of pot.

In contrast, Colorado's first week of legal sales reached \$5 million.

Elizabeth Hernandez: 303-954-1223, [ehernandez@denverpost.com](mailto:ehernandez@denverpost.com) or [twitter.com/ehernandez](https://twitter.com/ehernandez)

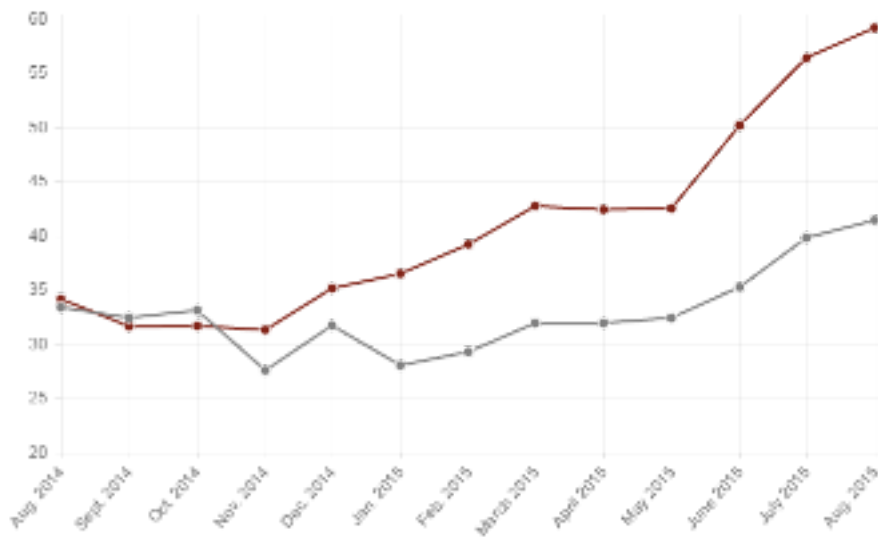




Follow @ehernandez 1,212 followers

## Sales stats for Colorado weed

A month-by-month look comparing sales of recreational and medical marijuana



2015 Recreational total (8 months)  
\$369,062,012

2015 Medical total (8 months)  
\$269,979,424

**2015: \$639,041,436**

2014 Recreational total (12 months)  
\$313,226,353

2014 Medical total (12 months)  
\$385,972,452

**2014: \$699,198,805**

Source: Colorado Dept. of Revenue; graphic by Kevin Hamm, The Denver Post

RELATED STORIES

DISCUSSION (58 COMMENTS)

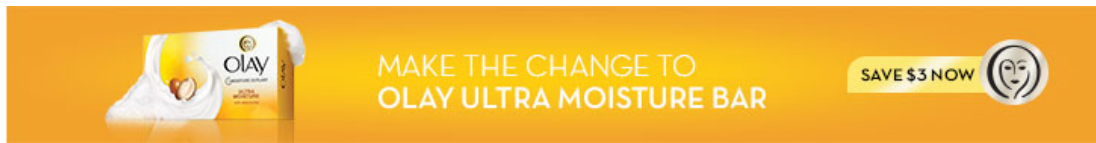
## HUFFPOST POLITICS

Edition: US ▼

Like 6.1M

Follow

FRONT PAGE POLITICS ENTERTAINMENT WHAT'S WORKING HEALTHY LIVING WORLDPOST HIGHLINE HUFFPOST LIVE ALL SECTIONS



AdChoices

# One Year Of Legal Marijuana Generated \$70 Million In Tax Revenue For Washington State

07/06/2015 06:50 pm ET | Updated Jul 07, 2015

3.5 K



Matt Ferner

National Reporter, The Huffington Post



ASSOCIATED PRESS

Washington state raked in more than \$70 million in taxes during its first year of legal and regulated marijuana sales.

The [Washington State Liquor Control Board](#), the government body charged with overseeing the state's marijuana industry, reports that state pot shops sold more than \$257 million worth of marijuana, generating more than \$64 million through July 1 thanks to the state's marijuana excise tax.

Add in local sales and other taxes, and Washington's state and local governments have collected more than \$70 million, [according to The Associated Press](#) -- roughly doubling the state's original marijuana tax revenue forecast of \$36 million for the first year of sales.



## FOLLOW HUFFPOST



HuffPost

Like 6.1M

Politics

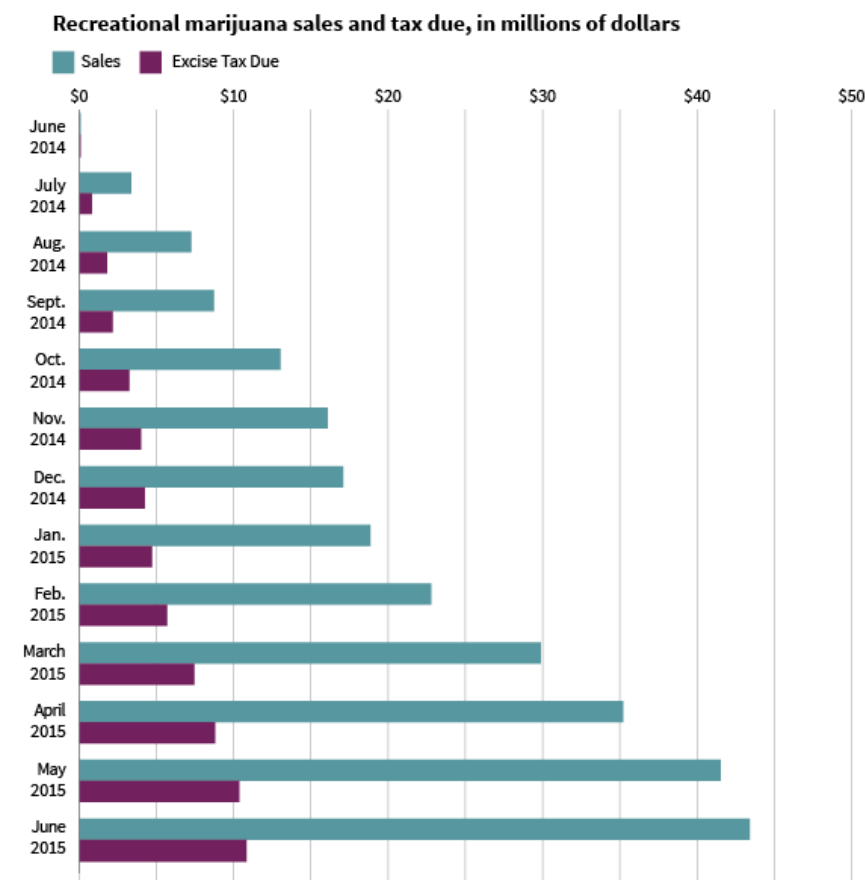
Like 1.5M

HUFFPOST NEWSLETTERS

"These impressive numbers are likely to catch the eyes of policymakers in other states that could use a little help closing their budget gaps," Tom Angell, chairman of the advocacy group Marijuana Majority, told The Huffington Post.

"While this amount of money isn't nearly enough to run a whole state with, these are real dollars that can now be spent on things like schools, healthcare and road repair instead of going straight into the pockets of the drug dealers who controlled the marijuana market prior to legalization," Angell added. "And this is only the first year. Expect to see even more revenue generated -- and more jobs created -- in the next few years."

Here's a look at rising marijuana sales and taxes in Washington state in the last year:



Source: Washington State Liquor Control Board

THE HUFFINGTON POST

Despite the state's slow start getting its regulated pot industry off the ground and early concerns about [marijuana shortages](#), the Evergreen State topped Colorado's first-year marijuana tax revenue of [about \\$44 million](#). While voters in both states legalized recreational marijuana in 2012, Colorado became the first state -- and first government in the world -- to regulate marijuana production and sales when its first shops opened on Jan. 1, 2014. The first marijuana shops in Washington state didn't open until July of that year.

Since then, marijuana sales have increased steadily across the state. The state Liquor Control Board reports that the state's marijuana businesses are

Get top stories and blog posts emailed to me each day.  
Newsletters may offer personalized content or advertisements. [Learn More.](#)

Subscribe!

## SUGGESTED FOR YOU

?

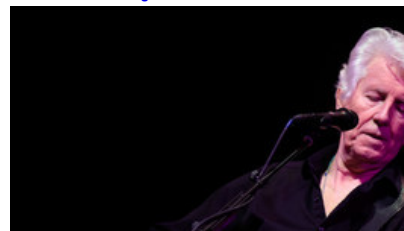
- 1. [Wyatt Cenac: Samantha Bee Never Got Enough Credit While On 'The Daily Show'](#)



4 days ago

[live.huffingtonpost.com](#)  
[The Huffington Post](#)  
[HuffingtonPost.com](#)  
[\(AOL\)](#) comedian

- 2. [Why Graham Nash Looks Back On Life Without Thinking About Mortality](#)



4 days ago

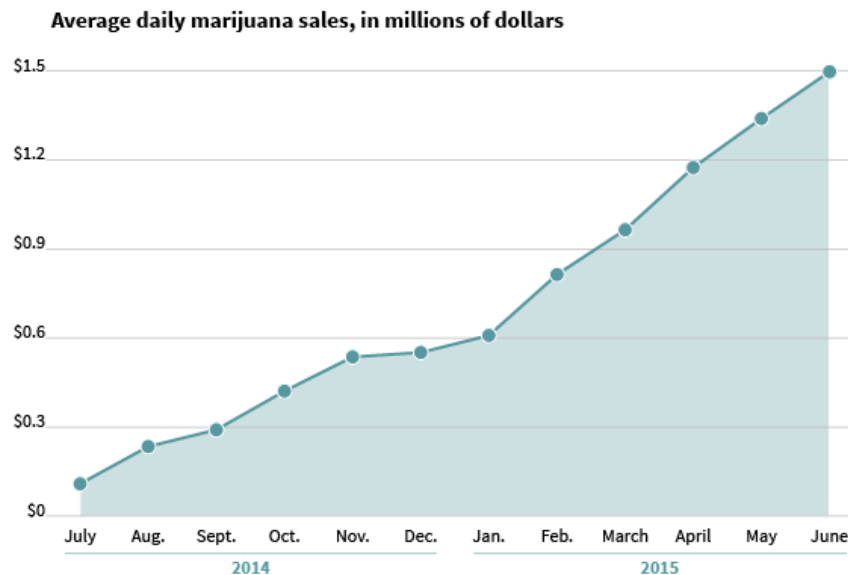
[live.huffingtonpost.com](#)  
[The Huffington Post](#)  
[HuffingtonPost.com](#)  
[\(AOL\)](#) graham nash

- 3. [Nick Cannon Says He Knew Nothing About Lupus Before His Diagnosis](#)

selling nearly \$1.5 million in marijuana per day from about 160 retailers statewide, as of July 1. Here's what average daily sales looked like in the past year:

## Marijuana Sales Increasing In Washington

Data from Washington state is showing that weed sales and taxes collected are increasing dramatically by the month.



Source: Washington State Liquor Control Board

THE HUFFINGTON POST

In the first year of legalization, Washington state's [marijuana businesses](#) sold more than 22,000 pounds of marijuana and 700,000 marijuana-infused edible products, including both solids and liquids. Meanwhile, state cultivators harvested nearly 60,000 pounds of marijuana flower.

The state has approved more than 6 million square feet of plant canopy to produce marijuana to date, according to data HuffPost received from Brian Smith, the communications director for the state Liquor Control Board.

Besides Washington and Colorado, two more states -- Oregon and Alaska -- as well as the District of Columbia have legalized marijuana for recreational purposes. While Oregon's new law went into effect [just last week](#) and [Alaska's went into effect in February](#), the first shops in both states aren't expected to open until 2016.

Legal marijuana is the fastest-growing industry in the United States, [a recent industry report found](#), and if the trend toward legalization spreads to all 50 states, marijuana could become larger than the organic food industry.

Marijuana remains illegal under federal law.

For more from The Huffington Post, download our app for [iOS](#) or [Android](#).

Also on HuffPost:



6 days ago

[live.huffingtonpost.com](http://live.huffingtonpost.com)

[The Huffington Post](#)

[HuffingtonPost.com](#)

[\(AOL\)](#) caught on camera

- 4. [Cathedral Moves Sculpture Because Texters Keep Bumping Into It](#)



6 days ago

[huffingtonpost.com](http://huffingtonpost.com) [The](#)

[Huffington Post](#)

[Huffington Post](#)

[International Lee Moran](#)

Lee Moran world

- 5. [Erin Andrews Opens Up About Her Teenage Body Insecurity](#)



# Colo. pot users helping build schools with tax dollars

Trevor Hughes, USA TODAY 5:25 p.m. EST February 17, 2015



(Photo: Trevor Hughes/USA TODAY)

DENVER – Colorado's marijuana users are helping to buy new roofs, boilers and security upgrades for public schools across the state as the first round of special pot taxes gets allocated later this year.

The state's voters in 2012 legalized pot sales – and taxed them heavily – in part because the constitutional amendment promised that \$40 million dollars a year would go toward school construction across the state. In the first full year of sales, however, the state expects to collect only about \$17 million in special school taxes levied on the marijuana industry. Still, it's better than what the state collected the year before: nothing.

"The people who were smoking marijuana before legalization still are. Now, they're paying taxes," Gov. John

Hickenlooper said.



USA TODAY

Vermont lawmakers consider legalizing marijuana

[\(http://www.usatoday.com/story/news/politics/2015/01/27/vermont-lawmakers-consider-legalizing-pot/22431415/\)](http://www.usatoday.com/story/news/politics/2015/01/27/vermont-lawmakers-consider-legalizing-pot/22431415/)

Overall, Colorado collected about \$63 million in marijuana taxes in 2014 on an industry worth about \$700 million. Much of that tax money goes directly into the state's general fund, not into the specific school-construction account. The school-construction money comes from a 15% tax levied on wholesale sales from growers to recreational marijuana retailers. Much of the rest of the tax money is being dedicated toward drug-abuse education, research and substance abuse treatment. Because Colorado was the first state to legalize and tax recreational marijuana sales, lawmakers across the country are closely watching its experiences.

"It is money we're trying to put to good use," said Sen. Pat Steadman, a Democrat and member of the Colorado Legislature's budget-writing committee. "We had no tax money to combat these ills when it was being sold illegally."

Sweet Grass Snickerdoodle Cookie 10mg	\$3.50
Sweet Grass PB Cookie 10mg	\$3.50
Cresco Sack	\$1.88
1 Penny	\$0.01
1 Penny	\$0.01
1 Penny	\$0.01
SUBTOTAL: \$63.83	
CO STATE TAX: \$1.84	
DENVER CITY TAX: \$2.30	
SPECIAL DISTRICT TAX: \$0.70	
CO SPECIAL TAX: \$6.17	
DENVER SPECIAL TAX (RETAIL): \$2.18	
TOTAL: \$76.80	
PAID: \$100.00	

A copy of a receipt from a Denver marijuana store shows the taxes paid on the transaction. (Photo: Trevor Hughes/USA TODAY)

A delegation of Vermont policymakers visited Denver this month as the Green Mountain State considers legalization, the latest in a string of visitors curious to better understand how Colorado is handling the end of marijuana prohibition. Driving the Vermont delegation's visit is an independent report suggesting Vermont could see new taxes revenues worth \$20 million to \$75 million annually, in part paid by pot tourists from Massachusetts, New York and New Hampshire.

"Our assumption is that it would take the industry a few years to ramp up," said Scott Newell, director of the office of capital construction for the Colorado Department of Education. Washington state, which has also legalized recreational marijuana, also expects to see its tax collections grow over the coming years. Washington expects to collect about \$694 million in state revenue through the middle of 2019, according to state budget projections, although it collected only about \$40 million in recreational marijuana taxes in 2014.

In Colorado, Newell's office oversees the marijuana money being dedicated toward school construction. He said he expects to have about \$17 million to hand out in this first round, with the \$40 million annual allotment available in a few years. In Colorado, a small rural, public charter school could be built for \$10 million, he said, while an urban high school could cost \$100 million or more.

"There's a lot more sales taxes being generated than excise taxes, and sales taxes don't go to this program," he said. "There's been a common misconception on marijuana tax."



USA TODAY

Denver airport bans pot-themed souvenir sales

[\(http://www.usatoday.com/story/news/nation/2015/01/28/denver-airport-bans-pot-themed-souvenir-sales/22486127/\)](http://www.usatoday.com/story/news/nation/2015/01/28/denver-airport-bans-pot-themed-souvenir-sales/22486127/)

Colorado policymakers in 2014 discovered that far fewer people than expected switched from medical marijuana to recreational marijuana once it was legalized Jan. 1, 2014. Medical marijuana is taxed at a far lower level, and most heavy users opt to spend \$15 on a state-issued "red card" allowing them to buy medical pot. In most cases, the marijuana itself is exactly the same. A study commissioned by the state found that in some ski towns, tourists were buying 90% of the recreational marijuana sold.

In part because medical users aren't switching, the state's tax collections are below predictions. And home-growers are exempt from the state's tax system since they're not legally allowed to sell their crops, although some clearly do, according to police.

A state study said that gray market of home-growing is a factor in dragging down tax collections, since illegal transactions remain untaxed.

Legalization advocates say there was always bound to be growing pains, but they point out the irony that some Colorado policymakers are peeved the state collected less marijuana tax than expected. This is an industry, after all, that operated totally illegally just over a year ago.

"There are hundreds of millions worth of marijuana sales now taking place in licensed taxpaying businesses, instead of on the underground market," said Mason Tvert of the Marijuana Policy Project, which backed Colorado's legalization efforts. "The tax revenue is a bonus but our overall goal was to eliminate the underground market."

Read or Share this story: <http://usat.ly/1A3M62W>