Marijuana and Taxes in Oregon

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History of Marijuana Legalization

- Marijuana first legalized for medical use (1998)
- Legalized for recreational use (Nov. 2014)
- Legal for Possession in OR (July 2015)
- Emergency Bill Expedited Legal Sales (October 2015)
- Taxation began after legal sales (January 2016)
- Taxation rate reduce (February 2017)
Marijuana Taxation in Oregon

- Taxed at 25 percent Statewide beginning in January 2016

- Reduced to 17 percent in January of 2017
  - Communities can also institute local tax of 3 percent
  - Roughly 85-90 percent of marijuana sold has local tax
How high should we set taxes?
How High Should We Set Marijuana Taxes?
Other Effects of Taxation Policy: Evidence from Washington
Other Effects of Taxation Policy: Evidence from Washington
How Extensive is Inter-state Diversion
How Extensive is Inter-state Diversion?
How Extensive is Interstate Diversion

[Graph showing weight (kg) for Pre OR Market Open and Post OR Market Open, with categories: In-state consumption, OR Diversion, ID Diversion]
Effects on Youth Consumption?

- Several Studies of medical marijuana find the effect is close to zero or negative

- Recent study of marijuana legalization in Washington find no increase youth marijuana consumption
How Dangerous is High Driving?
Marijuana Related Fatality Trends in Washington and Colorado
How Dangerous is High Driving?
Sober Crashes: Time of Day

[Histogram showing the distribution of sober crashes by hour of the day.]
How Dangerous is High Driving?
High Crashes: Time of Day
Conclusion

- Marijuana legalization is upon us, market growing continually
- Likely near the peak of revenue with tax rate
- Taxes can have other incentives in the industry
- Some marijuana is likely diverted out of state (most stays in OR)
- Effects on public health .... too soon to say
  - Impairment vs use key challenge going forward
How Dangerous is High Driving? Drunk Crashes: Time of Day