

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number: SB 157
Revenue Area: Marijuana Taxes
Economist: Mazen Malik
Date: 06-10-2021

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Enacts express sunset for exemption of medical marijuana registry cardholder or primary caregiver from tax imposed on retail sale of marijuana items.

Revenue Impact (in \$Millions):

	2021-23	2023-25	2025-2027
State Revenue	(\$24.1)	(\$32.0)	(\$30.9)
Local Revenue	(\$4.0)	(\$5.0)	(\$4.8)
Total	(\$28.1)	(\$37.0)	(\$35.7)

Impact Explanation:

This measure changes the implicit sunset into an explicit six-year sunset cycle. More than 23,000 people held a medical marijuana patient card as of July 2020, and nearly 8,800 people held a caregiver card. The tax expenditure report estimates the impact of medical Marijuana exemption at \$28 million for the coming biennium (18 months impact), and about \$37 million per biennium thereafter until the next sunset date Jan-1-2028. The state revenue is distributed according to the marijuana account percentages, and the local revenue is for jurisdictions that impose their own taxes. The governor’s tax expenditure recommendations list includes this expenditure for renewal.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to preserve access to medical marijuana in a similar manner as it was available prior to the legalization of recreational marijuana.