



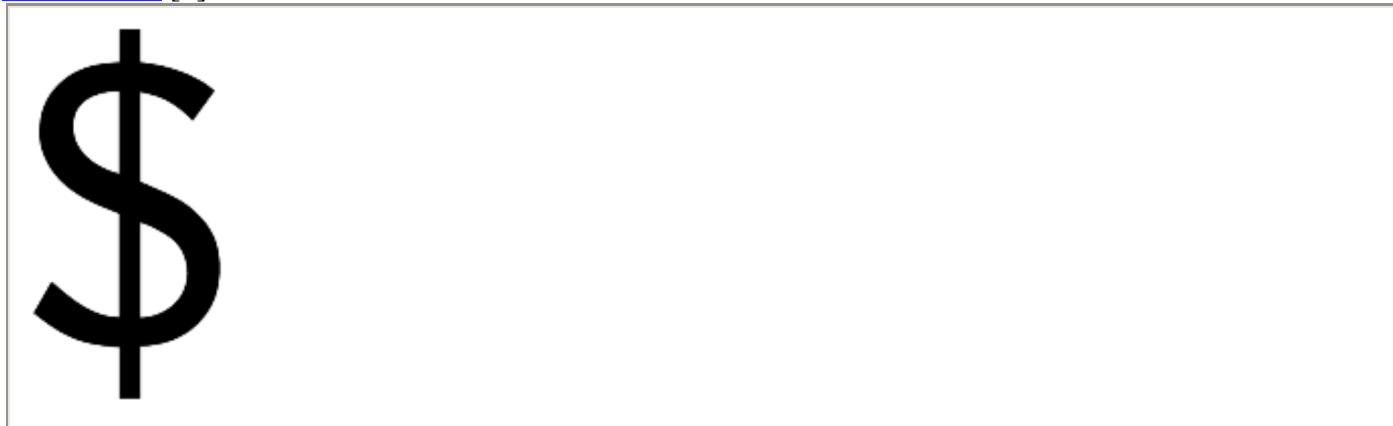
Published on *StoptheDrugWar.org* (<http://stopthedrugwar.org>)

End Drug Prohibition, Save \$88 Billion a Year, Report Says

By *psmith*

Created 2010/09/29 - 12:28pm

by [Phillip Smith](#) [1], September 29, 2010, 12:28pm, ([Issue #651](#) [2]) Posted in: [Budgets/Taxes/Economics](#) [3] [Federal Government](#) [4] [Legalization](#) [5] [News Brief](#) [6] [Prohibition](#) [7] [State & Local Government](#) [8]



Drug prohibition costs Washington and the states \$88 billion a year in law enforcement costs and lost tax revenues, Harvard economist Jeffrey Miron reports.

Ending drug prohibition would be a net plus to taxpayers of roughly \$88 billion a year, according to a new report from Harvard economist Jeffrey Miron and coauthor Katherine Waldo. That's the conclusion of [The Budgetary Impact of Ending Drug Prohibition](#) [9], released Monday by the libertarian-leaning [Cato](#) [10] Institute.



The savings come in two forms: reduced criminal justice expenditures and increased tax revenues from the sale of legalized drugs.

According to Miron, drug legalization would save about \$41.3 billion a year in enforcement costs. About

\$15.6 billion in savings would accrue to the federal government, while the states would see a savings of about \$25.7 million.

Legalizing marijuana alone would net \$8.7 billion a year in reduced law enforcement spending and increased taxes. Legalizing other currently illicit drugs would net another \$32.6 billion.

Miron and Waldo estimate that drug legalization would generate about \$46.7 billion in taxes, assuming that legal drugs were taxed at rates similar to those of alcohol and tobacco. Marijuana taxes would generate \$8.7 billion in revenue annually, while taxing drugs like heroin, cocaine, and methamphetamine would generate \$38.0 billion a year.

The report contains data on all 50 states, as well as the federal level. That makes it useful not only as an analytical tool, but also gives it the possibility of being picked up by local media around the country since media outlets everywhere can take the local angle.

In an era when Washington is drowning in debt and politicians in state houses around the country are struggling to balance budgets, this report couldn't be more timely.

Washington, DC

United States

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