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Regulating Cannabis Sales Could Yield Over \$17 Billion In Annual Savings And Revenue, New Study Says

Posted By [Paul Armentano](#), NORML Deputy Director On September 29, 2010 @ 8:30 pm In [World Views](#) | [No Comments](#)

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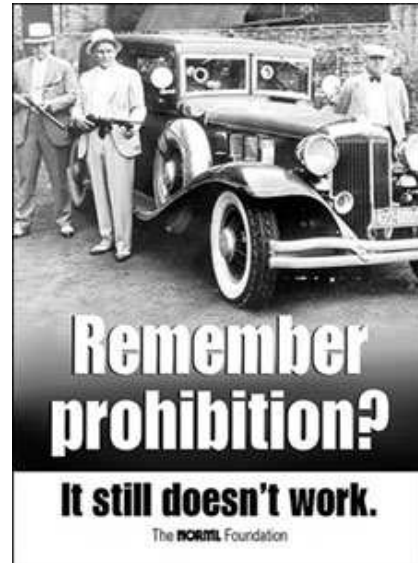
Treating marijuana as a legally regulated commodity would yield some \$17.4 billion dollars annually in cost savings and new tax revenue, according to an economic report published yesterday by the [CATO Institute](#) ^[1] think tank in Washington, DC.

The report, entitled "[The Budgetary Impact of Ending Drug Prohibition](#) ^[2]," estimates that taxing the commercial sale of marijuana in a manner similar to alcohol would generate some \$8.7 billion in annual revenue. The report further estimates that abolishing marijuana prohibition would additionally yield approximately \$9 billion in annual law enforcement savings. Full text of the entire report is available for download [here](#) ^[2].

A previous 2005 [study](#) ^[3] commissioned by NORML estimated that marijuana law enforcement cost taxpayers some \$7.6 billion per year.

A separate California statewide [analysis](#) ^[4] published in 2009 by the state Board of Equalization and Taxation estimated that imposing retail taxes on the commercial sale of cannabis in California would yield approximately \$1.4 billion in yearly revenue.

An op/ed in favor of legalization by the CATO study's co-author, Jeffrey Miron of Harvard University, appears in today's *Los Angeles Times* [here](#) ^[5].



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URLs in this post:

[1] CATO Institute: <http://www.cato.org/>

[2] The Budgetary Impact of Ending Drug Prohibition: http://www.cato.org/pub_display.php?pub_id=12169

[3] study: http://norml.org/index.cfm?Group_ID=6476

[4] analysis: <http://blog.norml.org/2009/07/16/california-tax-board-says-regulating-commercial-pot-sales-would-yield-14-billion-annually-also-predicts-decline-in-use-of-booze-and-tobacco/>

[5] here: <http://www.latimes.com/news/opinion/commentary/la-oe-miron-legalize-drugs-20100929,0,5651087.story>

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