



## Legalizing pot would raise more than Buffett Rule

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Over the past week, President Obama spent time promoting the Buffett Rule surtax on millionaires and paid a visit to Colombia in which he [reiterated](#) his opposition to legalizing drugs. Though the two issues were unrelated, it's worth remarking that legalizing drugs would actually do more to reduce deficits than implementing the Buffett Rule.

The Buffett tax, which failed to advance in the Senate last night, would have raised \$5.1 billion in 2013 (theoretically its first full year of implementation), [according to](#) the Joint Committee on Taxation. Yet a 2010 [study](#) by the libertarian Cato Institute found that legalizing marijuana alone would save the federal government \$3.3 billion in reduced enforcement expenditures per year and raise an additional \$5.8 billion in revenue assuming it would be taxed. If all drugs were legalized, the study estimated it would save the federal government \$15.6 billion a year and raise an additional \$31.2 billion in revenue -- for a total of \$46.8 billion. That's slightly higher than the \$46.7 billion the Buffett Rule tax is projected to raise over the full decade.

These numbers only pertain to the federal government, but the majority of the cost of the drug war is imposed on state and local governments. If governments at all levels are included, the Cato study projected that full drug legalization would reduce total budgets by \$88 billion when one includes enforcement savings and new tax collections.

To be sure, the issue of drug legalization is less about the budget and more about personal liberty. Those who oppose prohibition believe that individuals should be allowed to do whatever they want and risk the consequences as long as their actions don't harm others in the process. But it's also interesting to put the costs of the drug war in perspective.