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History of Cannabis

THE RENAISSANCE
OF CANNABIS

THE CRIMINALIZATION
OF CANNABIS IN THE US

THE DARK AGE
OF CANNABIS

CANNABIS IN
MODERN TIMES

1122–1299
Clot made of hemp fibers is discovered by
Mesoamerican cloddering tool in the
China Dynasty

100
BC
Hemp & medicinal used in papermaking
during Han Dynasty

106–208
AD

China textile manufacturers use hemp
as a surgical yarn

1155
AD
Legends discovered in Persia

Swedish botanist Carl Linnaeus
publishes his

1753

Swedish botanist Carl Linnaeus
publishes his

1794

In a letter to his former employer
William Pierce, George
Washington declares, "There
hemp everywhere.

1797

US Constitution is built
with 30 tons of hemp

1798

Congress passes the
Marijuana Tax Act

1800

Cannabis use in
over-the-counter
medicines, most
prominent in
American pharmacy

1867–69
Summit of Law.
Cannabis illegal in
most states

1937
Marijuana

1940s
Marijuana

1960s
Marijuana

1974
High Times founded

1992
President George Bush
declares a war
on drugs

1996
Proposition 215
passage, California

1998
Medical marijuana

1980
Marijuana

2006
Washington

2012
Colorado

2015
Marijuana

2017
Pot stocks

*Refers to the
period of
high times.
Legalization Status

Legal – Recreational (21+)

Legal – Medical (Doctor Prescription)

Legal – Medical CBD (No THC)

Illegal
Benefits to the Economy

- **Tax Revenue**: \( \uparrow \text{Legal Sales} = \uparrow \text{Taxes Paid} \)
- **Job Creation**: New Industry, New Jobs
- **Indirect Benefits**: \( \downarrow \text{Incarcerations} \)
Tax Revenue

### 2020 Marijuana Tax Revenue vs. State

- Alaska: 1.339964
- California: 2.416619
- Colorado: 11.237822
- Illinois: 0.413291
- Massachusetts: 1.167296
- Nevada: 1.753308
- Oregon: 0.953799
- Washington: 5.215966

### 2020 Tax Revenue vs. State

- Washington: 4.0
- Oregon: 3.5
- Colorado: 3.0
- Illinois: 2.5
- Alaska: 2.0
- California: 1.5
- Massachusetts: 1.0
- Nevada: 0.5
- Oregon: 0

### State Tax Revenue

- Year: 2014 to 2020
- States: Washington, Oregon, Colorado, Illinois, Alaska, California, Massachusetts, Nevada
Tax Revenue
Indirect Benefits

- ~42,000 people in prison for marijuana related offenses
- Average annual cost per prisoner: $30,000
- $1.2 billion in annual savings
Caveats of Cannabis Economy

- Prescription Drugs: \( \uparrow \text{Cannabis} = \downarrow \text{Prescriptions} \)
- High Taxes: Too High to Get High
- Black Market: Cheaper
Prescription Drugs

Effect of Substituting Prescription Drugs with Cannabis

- Pain medication: 67.20%
- Anti-depressives: 24.50%
- Anti-psychotic: 6.80%
- Anti-epileptic: 8.70%
- Arthritis medication: 20.70%
- Other: 24.10%

- Stopped using PD: 38.12%
- Substantial reduction in PD: 45.89%
- Slight reduction in PD: 8.93%
- No change: 5.11%
- Slight increase in PD: 0.00%
- Substantial increase in PD: 0.13%
- Don't know/no answer: 1.81%
High Taxes

### States With the Highest Tax Rates on Marijuana

Consumer facing and other taxes January 2019

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Washington</td>
<td>47.1%</td>
</tr>
<tr>
<td>2</td>
<td>California</td>
<td>40.3%</td>
</tr>
<tr>
<td>3</td>
<td>Colorado</td>
<td>33.3%</td>
</tr>
<tr>
<td>4</td>
<td>Nevada</td>
<td>33.2%</td>
</tr>
<tr>
<td>5</td>
<td>Alaska</td>
<td>24.7%</td>
</tr>
<tr>
<td>6</td>
<td>Massachusetts</td>
<td>20.0%</td>
</tr>
<tr>
<td>7</td>
<td>Oregon</td>
<td>20.0%</td>
</tr>
<tr>
<td>8</td>
<td>Maine</td>
<td>10.0%</td>
</tr>
</tbody>
</table>
Black Market
In conclusion, the cannabis economy is an untapped, emerging market. While the industry continues to face many obstacles, legalization will allow the US economy to flourish.