

Cannabis Tax Projections: New Hampshire's SB 651

While New Hampshire experienced a recent boost in revenue due to a one-time tax amnesty, it is facing looming fiscal challenges. Liquor sales are declining and federal budget cuts are shifting more costs to the state. Meanwhile, New Hampshire is missing out on tens of millions of dollars in annual tax proceeds from cannabis — money that is flowing from Granite Staters' pockets into neighboring states' coffers. Every one of New Hampshire's neighboring states and Canada have legalized cannabis. And 20% of Granite Staters admit to being cannabis consumers.

Based on projections from Arizona, Maryland, and Michigan,¹ and using SB 651's tax rate of 12.5% at retail, the Marijuana Policy Project anticipates that New Hampshire would generate between \$7-16 million in tax revenue in the first year of legal cannabis sales, about \$23 million in the second year, and between \$27-51 million in year four.

Sales Year	Maryland Revenue 9% retail tax	Adjusted to NH's Population	Adjusted to a 12.5% Retail Tax
Year 1 (7/23-6/24)	\$63,762,873	\$14,344,865	\$19,923,423
Year 2 (7/24-6/25)	\$74,296,273	\$16,714,585	\$23,214,702
Total	\$138,059,146	\$31,059,450	\$43,138,125

Sales Year	Michigan Revenue 16% retail tax (excise + sales)	Adjusted to NH's Population and a 12.5% tax	Sales Year	Arizona Revenue 21.6% at retail	Adjusted to NH's Population and a 12.5% tax
Year 1	\$81,705,350	\$8,869,795	Year 1	\$153,824,757	\$16,542,826
Year 2	\$209,912,278	\$22,787,722	Year 2	\$223,863,799	\$24,075,058
Year 3	\$326,049,074	\$35,395,336	Year 3	\$257,926,777	\$27,738,304
Year 4	\$473,303,560	\$51,381,034	Year 4	\$253,061,173	\$27,215,041
Year 5	\$523,552,765	\$56,836,003	Total	\$888,676,506	\$95,571,230
Total	\$1,614,523,027	\$175,269,889			

¹All three states allowed medical businesses to convert to dual use, and also licensed new businesses. In Arizona, sales began four months after the law's passage. In Michigan, sales began 13 months after passage. In Maryland, sales began seven months after voters approved a simple, legislatively-referred ballot question.