Marihuana Revenue
Michigan Medical and Recreational
Marihuana Revenue Distribution

Medical

- Facility Application Fees
- Registry Program Fees
- Marihuana Regulatory Fund

Recreational

- Facility Application Fees
- 10% Excise Tax
- Marihuana Regulation Fund

6% Sales Tax¹

Revenue distribution subject to appropriation:

- Substance Use Disorder Program⁴
- Tax Compliance
- Licensing & Enforcement
- Legal Costs

Remaining revenue constitutional formula:

- School Aid Fund: 35%
- Michigan Transportation Fund: 35%
- Counties: 15%
- Municipalities: 15%⁵

¹ Both medical and recreational marihuana sales are subject to a 6% sales tax. Revenue is distributed to the School Aid Fund, constitutional revenue sharing, and the General Fund.
² Grants to county sheriffs are distributed proportionately based on the number of medical marihuana registry ID cards issued, or renewed by, county residents. Expenditures are restricted to education and outreach efforts surrounding marihuana use.
³ The Substance Use Disorder program is funded and administered through the Department of Health and Human Services.
⁴ Municipalities may charge additional fees up to $5,000 for a marihuana facility license application.
⁵ $20 million for research on the efficacy of marihuana in treating veterans and preventing veteran suicide applies until 2022.

SFA Staff Contact: Elizabeth Raczkowski, Fiscal Analyst. For more information: "Michigan Regulation and Taxation of Marihuana Act", State Notes, Spring 2019