

· EDITORIAL ·

Slicing up the cannabis tax revenue pie

Let's be honest: Part of the appeal of legalizing cannabis comes down to money. The demand and consumption already exists. We already regulate, tax and sell other potentially altering substances such as tobacco and alcohol. Governments need money, and no one wants to raise taxes.

So why not legalize and control pot, and rake in the tax revenue, as with other so-called "sin" products? Why not have a revenue stream that flows into public coffers instead of the wallets of illegal players?

On the surface, that part of the cannabis conundrum is fairly simple. But as usual, once you start drilling down into details, simplicity goes out the window. This week, provincial finance ministers and their federal counterpart are meeting in Ottawa. Prior to that meeting Ottawa proposed a deal which would see tax revenue generated by legal cannabis sales split 50/50 between the provinces and feds.

Not surprisingly, provincial ministers didn't like the sound of that. What is Ottawa doing to earn its half of the pie, they asked? Other than the legislative part of legalization, the heavy lifting - as it stands now - will fall upon province and cities. Enforcement. Public education. Road safety. Addiction prevention and treatment. All these are matters of provincial jurisdiction.

So why should Ottawa get half the cake? And speaking of cake, just how much money are we talking about? It's a relevant point, especially since there is much disagreement on that. Back in 2016, a CIBC World Markets reported estimated tax revenue to be as much as \$5 billion. That's a lot of dough for public treasuries. But a more recent report from the C.D. Howe Institute is much more conservative, predicting tax revenue of between \$400 and \$500 million annually. How could two credible projections be so far apart?

The American experience is instructive. In Colorado, where pot has been legal since 2014, half a billion in tax revenue has been generated. In Nevada, taxes from the first month of legalized sales - July - came in at a whopping \$3.6 million. The very next month, that jumped to \$5 million. In Alaska, the revenue slice for August was \$700,000. And in Oregon, cheques were recently sent out to schools, public health agencies, police and local governments to divvy up \$85 million in cannabis tax revenue.

Recently, the provinces and feds announced they have reached an agreement to split tax revenues - 75 per cent to the provinces, 25 per cent to the feds. That certainly seems more equitable, although it's not entirely clear that Ottawa will incur costs to justify that. But Finance Minister Bill Morneau says the federal portion will be capped at \$100 million, with anything other than that going back to the provinces.

Provincial officials seem satisfied, which is good as there is a tremendous amount of legalization work remaining. It's good that this part of the equation, at least, seems solved to everyone's satisfaction.



ABOUT US



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· LETTERS & COMMENTARY ·

There must be an election coming

I had to chuckle at the new lanes open article on Highway 410,

I will go out on a limb here and suggest that not one of these fine Liberal politicians in the article travelled the 410 on a daily basis like the rest of us suckers have over the last what five-six-seven years, while this poorly planned disaster went on?

I have seen this highway ripped up and repaved in the same spot numerous times for god only knows what reason, it never seemed to end, but yet it continues.

I remember one night (early morning) going to work at Derry and Kennedy Road in Mississauga and because of lane and ex-

it closures I was sitting at Carlingview and Dixon Road at 3 a.m. because of those exit closures and no body could care less because it didn't affect them. Thankfully, I knew the city and where I was going so that I could navigate this mess.

Did anybody ever call the 410 hotline? Apparently, they forgot to hook it up at the other end. I called and was met with dead silence.

No doubt all of these fine Liberal politicians were home soundly asleep in their nice warm beds while this egregious mess continued.

Nobody can possibly imagine the billions of litres of fuel wasted, tens of millions of lost man hours, the number of smash ups that have gone on while this disaster continued.

I'll bet there are a million horror stories out there.

An organized mess is and was the only way to describe it, and actually it is still under construction to this minute.

There is one reason and only one reason why this part of the highway is finally open. Are we all that naive?

Can anybody smell an election coming?

Steve Panchuk

Thanks for the 'holiday wishes'

With our copy of the newspaper recently, we received a "Holiday Wishes" card from our carrier simply named Jim.

I would think you are lucky to have such a person

working for you who obviously likes his job very much sometimes delivering in cold and bad weather.

Although I have met him several times in the past few years he has been delivering in our area, it will be nice to say hello to him by name the next time we meet.

Joe Andely

Letters to the Editor



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