

# McCabe campaign: McCabe plan funds health, education investments with proceeds from legal sales of marijuana

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MARCH 20, 2018 – Wisconsin governor candidate Mike McCabe today fleshed out his position in favor of fully legalizing the possession and use of marijuana by detailing a plan to tax legal sales and use the new source of revenue to fund expanded treatment options for those struggling with opioid and methamphetamine addiction and make higher education more affordable.

Even before announcing his candidacy on September 12, McCabe publicly supported legalization of industrial hemp production as well as medicinal and personal use of marijuana.

“Current drug laws have proven ineffective, counterproductive and racially discriminatory. Those who use have shown they will use whether it’s legal or illegal. Drug laws making a second marijuana possession charge a felony do not make communities safer or improve public health, they only fill jail cells with nonviolent offenders. That drives mass incarceration and is a key reason why Wisconsin spends more of its state budget on prisons than on the entire university system,” McCabe said.

In addition, the current governor's position refusing to consider any requests for pardons should be reversed, McCabe said, adding that pardons for those who have not been convicted of any violent act or property damage should be considered and granted when appropriate.

"Changing the governor's pardon policy is one of many needed changes to Wisconsin's approach to crime and punishment if we're to reach the point of being able to spend more to unlock the potential of our population than we do to lock people behind bars. Wisconsin also should emphasize sentencing alternatives to imprisonment and focus more on mental health and drug addiction treatment," he said. "Imprisoning twice as many people in Wisconsin than in neighboring Minnesota hasn't resulted in less crime in Wisconsin. The two states have virtually identical crime rates. But because Wisconsin spends so much more on prisons than Minnesota, we are far less able to invest in empowering young people with higher education."

Under McCabe's plan, licensed dispensaries would be authorized to operate in Wisconsin and sales of marijuana would be taxed, with the new source of revenue split between addressing the opioid and meth crises with expanded treatment options and making educational opportunities in the state far more affordable.

Taxing legal sales of marijuana in Wisconsin should generate upwards of \$200 million a year – or \$400 million for the state's two-year budget – by applying the state sales tax to purchases of medical marijuana and charging the sales tax as well as a 20% excise tax on purchases of marijuana for adult recreational use.

Colorado, with a population of 5.5 million people compared to Wisconsin's 5.8 million, brought in \$200 million last year in tax revenue from legal sales of marijuana. Colorado applies a 2.9% sales tax to medical marijuana, and charges that tax together with an additional 10% sales tax and 15% excise tax on purchases made for personal recreational use.

Washington state, population 7.3 million, raised \$256 million last year with a 37% excise tax on legal marijuana sales. The state of Oregon, with its 4.1 million people, took in \$60 million last year by requiring retailers to charge a 17% tax on sales of recreational marijuana.

"Large amounts of marijuana are being sold and used in Wisconsin, but it's being done in a black market, often with the involvement of gangs or other organized

crime. And illegal sales are not taxed, so no benefit to the public is derived from these transactions,” McCabe said. “From a public safety standpoint, it makes so much more sense to bring this activity above ground and out into the open. And then by taxing legal sales, we can generate an abundant new source of revenue that can be put to positive use in making Wisconsin better.”