

Pot tax approved by Salem City Council

If Oregon voters in November legalize marijuana for recreational use, Salem will be ready with a new city tax on pot sales.

Salem City Council on Monday approved a city tax on sales of recreational marijuana products, including marijuana infused snack foods. The new ordinance would allow a 10 percent sales tax on recreational marijuana. Sales of medical marijuana were excluded from the tax.

Salem City Councilor Laura Tesler cast the only no vote.

With the passage of the ordinance, Salem joins at least 20 other cities in Oregon that have approved a local sales tax on recreational marijuana.

Measure 91, which would legalize recreational marijuana use, allows the state to collect a tax of \$35 for an ounce of buds, \$10 for an ounce of leaves and \$5 for an immature plant. About 40 percent of the proceeds would go to schools.

But city governments contend that only a small slice of a state marijuana tax would filtered down to local programs.

Salem officials can only speculate how much revenue a pot tax might bring to city coffers. In Colorado, where marijuana is legal, the city of Fort Collins has projected an additional \$200,000 in revenue from marijuana sales taxes for its fiscal 2015-16 budget

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Pot tax

Marijuana sellers would be responsible for remitting the new tax on recreational marijuana sales.

The city's finance director would have the authority to determine the amount of tax owed by sellers, who failed to report or remit taxes.

—Michael Rose