

Thursday, December 21, 2006

Would marijuana be as big a cash crop if legalized?

Following up on yesterday's blog entry entitled "Marijuana as the nation's biggest cash crop," Hit & Run's Jacob Sullum predicts that the excise tax revenue from legal marijuana would not be very significant, since legalized marijuana will be cheaper than illegal marijuana. As one commenter to Mr. Sullum's posting points out, though, legalization may lead to higher marijuana consumption, which might narrow the annual total revenue gap between sales of legalized marijuana and illegal marijuana. Likely to further narrow this revenue gap will be the production of industrial hemp, which now must be imported from other countries. Jon Katz.

Posted by Jon Katz in Drugs at 06:00