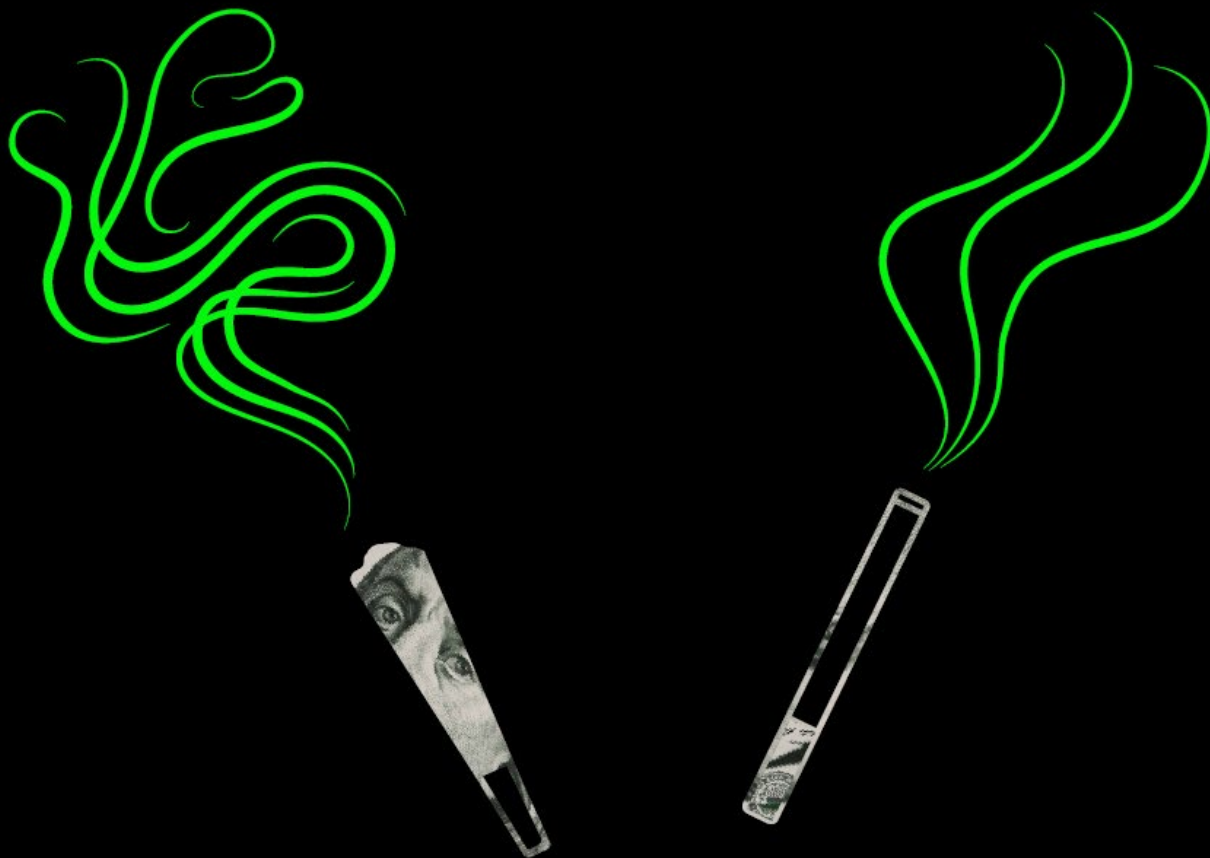


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# **It's Time for a Closer Look at America's Marijuana Usage and Tax Rates:**

An Exploration Prompted by  
The New York Times Editorial Board

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## Introduction

In early February 2026, the New York Times' Editorial Board published an op-ed titled, "[It's Time for America to Admit That It Has a Marijuana Problem](#)." The op-ed expressed concerns about public health impacts of increased marijuana use such as cannabinoid hyperemesis syndrome, addiction and cannabis induced psychosis. While rejecting recriminalization, the Board recommended a greater degree of regulation and advocated for both a new federal marijuana tax and higher state taxes. In so doing, the Board stressed that "increases in tobacco taxes have been a major reason that its use has declined during the 21st century, with profound health benefits."

But while increased tax rates have been shown to decrease tobacco use, can we readily assume the same dynamic would hold true for marijuana? Unlike long-standing legal tobacco markets, nascent marijuana markets must compete with long-established and robust illicit markets. In California, a full decade after legalization, local reporting indicates that the state's Department of Cannabis Control estimates that legal sales still comprise less than 40% of weed consumption in California. The industry attributes this low level of utilization to state and local excise and sales taxes that can increase prices for consumers by a third. High tax rates are also cited as a reason for legal sales not capturing a larger share of the consumer market in states ranging from Massachusetts to Washington.

Consequently, there is reason to fear that significantly higher tax rates for marijuana products could shift use into unregulated and more dangerous illicit markets rather than to deter or reduce problematic cannabis use. More generally, at a time when the legal cannabis marketplace is a patchwork of everchanging state laws and industries, the overall relationship between tax rates and marijuana use rates (and especially heavy use rates) is quite unclear.

In seeking to shed a bit more light on these issues, our center looked at the 2023 marijuana usage data in states with adult use marijuana sales to see whether we might see an inverse relationship between rates of marijuana use and marijuana tax rates. In other words, did states with higher tax rates record lower rates of marijuana use?

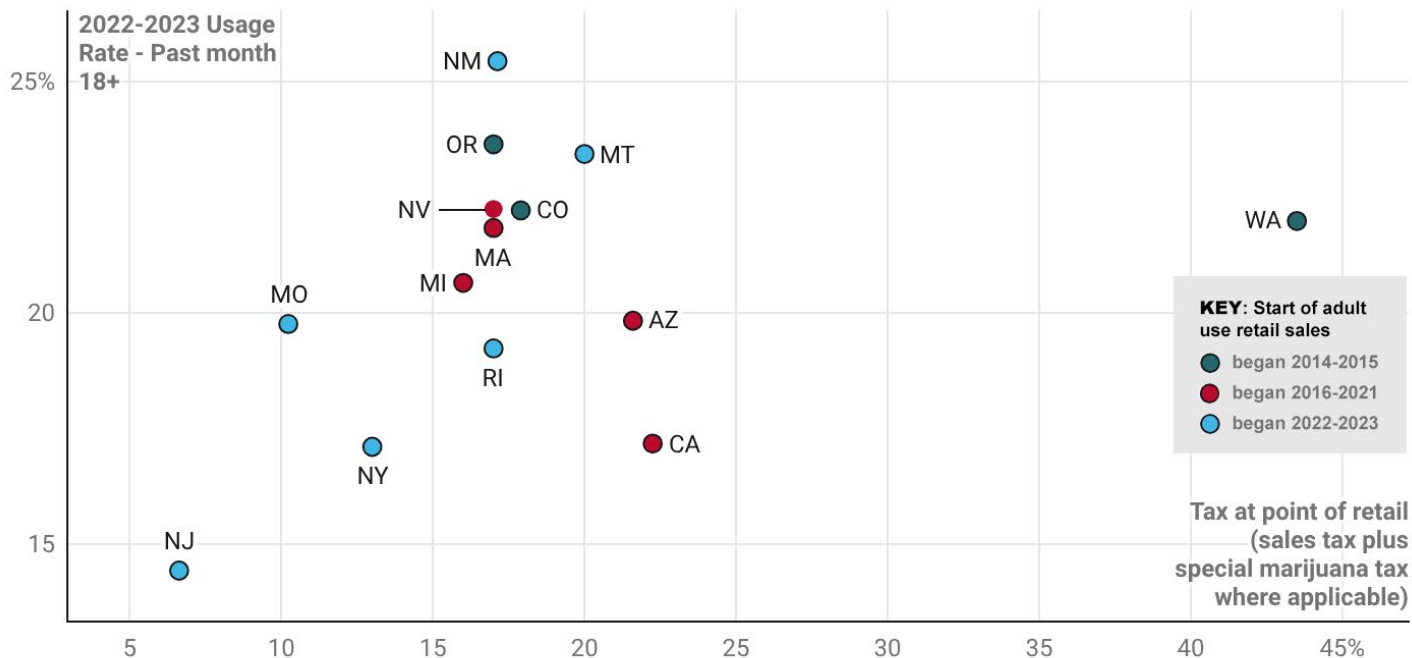
## Methodology

Data on marijuana use for Figure 1 comes from the National Survey on Drug Use and Health that is collected annually by the Substance Abuse and Mental Health Services Administration (SAMHSA). Statewide data for 2024 and 2025 has not yet been published, leaving us with data detailing [Marijuana Use in the Past Month Among Adults Aged 18 and Older](#) from the 2022-2023 survey.

To ensure consistency in tax rates, only states that tax adult-use marijuana at the point of sale (states typically charge a special excise tax and a state sales tax) are included. Additionally, the comparison only includes states where retail sales began prior to the start or just after the start of 2023.

# Did states with higher tax rates record lower rates of marijuana use?

**FIGURE 1 – MARIJUANA USAGE AND ADULT USE STATE TAX RATES (UP TO 2023)**



Source: Substance Abuse and mental Health Services Administration National Survey on Drug Use and Health - Marijuana Use in Past Month Among Adults Aged 18 or Older. • Created with Datawrapper

The previous month’s usage rate data measures the percentage of adults 18 years and older that reported use of marijuana in the past month at the time they answered the survey. The 2023 previous month’s marijuana usage rate among adults 18 and older in the fourteen states in our sample ranged from 14.42% (New Jersey) to 25.45% (New Mexico). Out of the 25 states reporting the highest marijuana usage rates nationally, almost all were adult-use jurisdictions (excluding New Jersey), with seven of the fourteen states in our sample falling within the top ten.

Based on the existing data, there is no apparent correlation between marijuana tax rate and marijuana usage rate. The highest taxed state, Washington (43.5%), reported the 6th highest usage rate of 21.99% within the dataset. On the other hand, New Jersey, which had the lowest tax rate (6.625%) also reported the lowest usage rate among the group (14.42%) and ranked in the bottom half nationally.

It is important to note that last month’s usage rates do not tell us much about the frequency of use or the potency of products being consumed. Unfortunately, this data is not currently being collected in a systematic, nation-wide fashion.

**TABLE 1 – ADULT USE STATE TAX RATES AND MONTHLY 18+ MARIJUANA USAGE**

State	Start Date of Adult Use Retail Sales	Total Months of Sales Through 2023	Tax at Point of Retail Sales	Marijuana Usage Rate at Start of Retail Sales	2022-2023 Usage Rate	Difference in Usage Rate from Start of Sales to 2023
Oregon	10/1/2015	98	17%	13.04%	23.65%	10.61%
Nevada	7/1/2017	77	17%	12.11%	22.25%	10.14%
New Mexico	4/1/2022	20	17.13%	22.28%	25.45%	3.17%
Colorado	1/1/2014	119	17.90%	15.17%	22.22%	7.05%
Massachusetts	11/20/2018	61	17%	13.98%	21.84%	7.86%
Montana	1/1/2022	23	20%	19.51%	23.44%	3.93%
Washington	7/8/2014	113	43.50%	13.06%	21.99%	8.93%
Michigan	12/1/2019	48	16%	14.42%	20.65%	6.23%
Missouri	2/3/2023	10	10.23%	19.76%	19.76%	0.00%
Rhode Island	12/1/2022	12	17%	19.04%	19.23%	0.19%
Arizona	1/22/2021	35	21.60%	19.95%	19.83%	-0.11%
California	1/1/2018	71	22.25%	12.46%	17.17%	4.71%
New York	12/29/2022	12	13%	16.89%	17.10%	0.21%
New Jersey	4/21/2022	20	6.63%	13.98%	14.42%	0.44%

These patterns do not imply that taxes have no effect on consumption, but they do suggest that assuming marijuana users will respond to taxation like tobacco users is overly simplistic. Merely looking at tax rates and usage rates ignores the myriad of other factors that can influence the rate of use, such as the maturity of the legal market, the ease of access to product affected by number of dispensaries per population, the price of the product in a given state (since marijuana cannot be traded across state lines, the way states regulate the number of licensed growers significantly affects availability/price of product) and many other factors.

Additionally, as highlighted at the outset, because marijuana remains widely available through illicit channels, raising taxes may reduce purchases in the regulated market without reducing overall consumption. For those concerned with public health, a tax policy which prompts consumers to move away from the legal marketplace would be a highly undesirable result given the lack of product safety standards and other hazards in the illicit market.

The New York Times editorial soundly stressed the importance, from a public health perspective, of limiting excessive or high potency marijuana use. Additional data is needed to assess the role of tax increases to deter the riskiest marijuana uses and users, and policy progress here will likely require a broader regulatory approach, besides taxation. These 2023 data suggest no simple inverse relationship between state tax rates and marijuana use, and effective policy must account for market structure, product availability and the wide availability of illicit product.