

## Virginia Legalizes Marijuana

By Melissa DeSantis, CPA, Manager

In a significant vote, the Virginia Legislature approved adult-use marijuana, making it the first state in the South to move forward with cannabis legalization. The House passed the bill in a 48-43 vote and the Senate approved it in a 20-19 vote. No Republicans voted for the legalization in either chamber. Regulations will be drafted next year and provided to the legislature for approval.

Virginia is the 16th U.S. state to pass an adult-use marijuana legalization law. They will begin setting up a regulatory agency this July but sales will not start until 2024. The law allows adults over 21 to possess up to one ounce of marijuana and cultivate up to four plants per household.

Democratic Governor Ralph Northam stated that Virginia could generate up to \$300 million in taxes from the sale of cannabis. The current tax plan levies a 21% excise tax on marijuana and allows municipalities to add an additional 3% tax on retailer on top of existing sales taxes. The largest portion of the taxes collected will go toward providing pre-K for at-risk children.

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Jeffrey Gittler, CPA  
Partner  
[jgittler@pkfod.com](mailto:jgittler@pkfod.com)

Melissa DeSantis, CPA  
Manager  
[mdesantis@pkfod.com](mailto:mdesantis@pkfod.com)

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