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# Trump Weighs Marijuana Reclassification to Schedule III, a Move That Could Reshape USVI Cannabis Industry

**President Trump says his administration will decide within weeks whether to move marijuana from Schedule I to Schedule III, a change that could improve banking, transport, and tax rules for the cannabis industry — including in the U.S. Virgin Islands.**

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President Donald Trump has ignited fresh debate over federal cannabis policy, confirming on Monday that his administration is actively considering reclassifying marijuana from a Schedule I to a Schedule III substance under the Controlled Substances Act.

Speaking at a White House press conference, Trump described the issue as “very complicated” but indicated a decision could come within weeks, potentially reshaping the landscape for cannabis

businesses and medical research. “We’re looking at reclassification, and we’ll make a determination over, I’d say, the next few weeks,” Trump said, acknowledging the polarized views on marijuana. “Some people like it. Some people hate it. I’ve heard great things having to do with medical, and I’ve heard bad things having to do with just about everything else.”

The announcement follows reports from The Wall Street Journal that Trump discussed loosening federal cannabis restrictions at a \$1 million-per-plate fundraiser in Bedminster, New Jersey, where cannabis industry leaders, including Trulieve CEO Kim Rivers, urged him to support rescheduling and expand medical marijuana research. Sources claim marijuana companies have donated millions to Trump-aligned political groups, raising questions about the influence of industry lobbying on the administration’s stance.

Reclassifying marijuana to Schedule III—a category that includes drugs like ketamine and anabolic steroids with “moderate to low potential for physical and psychological dependence”—would not legalize recreational use but could significantly ease restrictions. It would enable tax deductions for state-legal cannabis businesses, currently burdened by IRS Section 280E, which prohibits deductions for companies dealing with Schedule I or II substances. The move would also open doors for FDA-supervised research into cannabis-based medicines, a long-standing barrier due to its current classification alongside heroin and LSD.

In territories like the U.S. Virgin Islands, where medical and sacramental cannabis use has been [legal since January 2023](#) under Act 8680, reclassification could address critical barriers stifling the nascent industry. Federal restrictions currently prohibit transporting cannabis between the territory’s islands—St. Croix, St. Thomas, and St. John—because crossing territorial waters violates federal law, forcing each island to operate isolated markets. Schedule III status could allow regulated inter-island transport with DEA approval, streamlining supply chains and enabling economies of scale for cultivators and dispensaries. Additionally, the USVI’s cash-only cannabis businesses, constrained by banks’ reluctance to handle Schedule I-related funds, would gain access to financial services.

The proposal, initiated under the Biden administration in 2022, has been stalled since January 2025, when a DEA administrative law judge paused hearings due to procedural disputes. The process began after the Department of Health and Human Services recommended rescheduling in August 2023, citing marijuana’s accepted medical use and lower abuse potential. Despite overwhelming public support—over 90% of 43,000 public comments favored rescheduling or further reform—the DEA’s inaction has left the industry in limbo.

Trump’s remarks come amid mixed signals from his administration. During his 2024 campaign, he endorsed Florida’s recreational marijuana ballot initiative, Amendment 3, which ultimately failed, and voiced support for states’ rights and the SAFER Banking Act to improve cannabis businesses’ access to financial systems. However, his first term saw moves to repeal Obama-era protections for state-legal cannabis programs, and his recent budget included a provision to end medical cannabis protections.