

Alaska Marijuana Industry Association  
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[www.alaskamia.org](http://www.alaskamia.org)



3/3/2025

Dear Representative Tomaszewski,

The Alaska Marijuana Industry Association (AMIA) represents licensed marijuana businesses in Alaska including cultivators, manufacturers, retailers, and testing labs. The AMIA advocates at the local, state, and federal levels for responsible public policy and regulations that promote a healthy and robust legal cannabis industry.

We are writing to express our strong support for Alaska House Bill 94 that you have recently introduced. This bill proposes sorely needed reform to our current state tax structure. This tax structure has proven to be broken and threatens the very existence of Alaska's legal marijuana industry.

The legal marijuana industry is an important emerging sector in Alaska's economy. Since inception, Alaska's legal marijuana industry has spurred innovation and fueled local entrepreneurship. Our industry has resulted in hundreds of new Alaskan-owned business startups, thousands of Alaskan jobs, and new revenue for both state and local economies. In terms of agriculture, marijuana is now Alaska's most valuable crop by far. This crop then forms the basis for downstream manufacturing and retail business activity within the state. With Alaska being one of the first states to develop a legal recreational marijuana industry, we have had the ability to innovate and develop a world class industry within our state.

Despite this general success, our businesses are currently experiencing a major downturn. We are struggling with many headwinds, all of which are compounded because we pay the highest state tax rate in the country. Our current tax structure makes our businesses uncompetitive against increasing competition from unregulated and illicit markets. In short, we pay high taxes, while our competition does not pay taxes at all.

The competition to our legal market comes from unregulated products, including cheap out-of-state marijuana brought in illegally, and a thriving black market here in Alaska. This illegal activity avoids paying state and local taxes, ignores regulations, and pose serious public health and safety risks due to lack of testing and quality control. The unregulated market is eroding Alaska's legal market and threatens consumer safety. As the regulated industry declines, state tax revenues have dramatically decreased, falling by about a third from recent highs. As our industry continues to struggle and consolidate, the unregulated market continues to replace us.

Our businesses are owned and operated in Alaska, by Alaskans. They are small businesses with owners who want to contribute to their communities, hire local employees, and provide safe, regulated products. Owners have invested their lives and savings into building a new and incredibly innovative industry. However, having the highest tax rate in the nation, applied under a broken structure, threatens the very existence of our legal industry. Many of our businesses have already surrendered their licenses or are on the verge of doing so. If this continues, our legal, regulated market will be overtaken by the black and grey markets, and we risk of completely losing everything that we all have worked so hard to build.

We believe your bill, if passed, will potentially save a significant number of jobs and small businesses in Alaska, and perhaps our entire industry from being lost. By addressing the broken tax structure, the illicit market will be less able

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to outcompete our regulated market. Thank you for introducing this bill, and taking the steps required to protect an important Alaskan industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Trevor Haynes', with a stylized 'H' and a long horizontal stroke extending to the right.

Trevor Haynes,

President - Alaska Marijuana Industry Association

On Behalf of AMIA Board of Directors

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