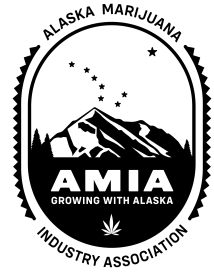


Date: 05/08/25

To: Representative Ashley Carrick
Representative.Ashley.Carrick@akleg.gov

From: Alaska Marijuana Industry Association (AMIA)
PO BOX 190283. Anchorage AK 99519
president@alaskamia.org | www.alaskamia.org



Re: AMIA Strongly Opposes HB 91 | Support Needed for SB 73

Dear Representative Carrick,

We write to express the Alaska Marijuana Industry Association's strong opposition to HB 91 and to make clear that we do not support any proposal that seeks to increase the tax burden on an industry already in economic crisis.

This legislative session offered an opportunity to deliver timely, targeted relief to Alaska's legal cannabis operators through a straightforward reduction in the existing excise tax. Instead, that effort has been derailed by the introduction of HB 91, a bill that lacks industry support, fails to provide meaningful economic relief, and proposes a complex and costly retail tax structure. This approach is not only misaligned with the urgent needs of the industry, but also short-sighted given the increasing likelihood of federal legalization, which could render such a system irrelevant before it is ever fully implemented.

To be clear, the tax relief we are advocating for is not a financial windfall. It is a measured and practical correction to a deeply flawed and outdated tax framework. A reduction in the current cultivation excise tax is the fastest, most effective, and least disruptive way to stabilize Alaska's legal cannabis market and provide much-needed breathing room for licensed businesses still working to stay afloat.

HB 91, in its current form, does nothing to address the escalating financial distress facing operators. If enacted, it risks compounding the problem for operators and municipalities alike. Businesses are shutting down. Jobs are being lost. Consumers are returning to unregulated, untaxed, and untested markets. This is not the time for experimental policy changes that introduce further administrative burden and uncertainty.

We urge you to amend HB 91 to align with the language and intent of Senator Claman's SB 73, which provides immediate, actionable relief through a simplified tax structure. SB 73 also wisely includes the reinstatement of the small business corporate income tax exemption, an important measure that predominantly impacts cannabis businesses. Without this extension, many small, Alaskan-owned companies could be instantly crippled by double taxation, further accelerating the collapse of the legal market.

Any future discussions regarding Alaska's taxation on cannabis should be evaluated, modeled, and carefully considered - with industry involvement. What we need at this moment is tax relief and a small change to the current structure that promotes fairness in competition.

The path forward is clear. Enacting SB 73's modest and focused reforms is the most direct way help Alaska's distressed legal cannabis sector.

Respectfully,
The Alaska Marijuana Industry Association Board of Directors

