

**Denali Gold LLC**  
**1092 Dolphin Way**  
**Fairbanks, AK 99709**

April 19, 2023

Honorable Representative Representative, Jesse Sumner Chair, House Labor & Commerce Committee

House.Labor.And.Commerce@akleg.gov

From : Marguerita Gilbertson Owner Denali Gold LLC

Re: Support for HB119 An Act Relating to marijuana, taxes; and providing for effective date.

relating to marijuana, taxes; and providing for effective date

Chair Sumner and distinguished members of the House, Labor and Commerce Committee,

I strongly urge your support of HB119. This is a responsible change in tax policy that will benefit all Alaskan's ensure that our homegrown Alaskan industry is positioned to survive and thrive in the years to come.

We have been in business since 2018, I can tell you at this time we are barely breaking even because of the excessive taxes that we pay on a monthly basis. There have been many months when we have not paid ourselves because of the tax situation. the current tax rate at \$50 an ounce is an excessive tax found nowhere else in the world.

We have been diligent, and never been late on our taxes. However, the profit and loss bottom line continues to show that our tax burden is the largest single line item expense in our business on a monthly basis. . Because of the excessive taxes, we cannot afford to expand our business at this time. We are a small cultivator. Looking at any of the State revenue reports, you can see how many cultivators are delinquent in their taxes and how many cultivators have gone out of business. This industry cannot sustain these excessive tax amounts that we are currently facing.

We are truly hoping that the tax policy as well as the excessive renewal and application fees will be adjusted to a more real-world amount.

Respectfully,

Marguerita Gilbertson

Denali Gold LLC

Mr. Sumner and members of the House Labor and  
Commerce Committee,

I am one of the owners of Emerald City Organics, a family owned cannabis cultivation. Unfortunately, the past few years have been extremely difficult for our business due to the current tax structure in the state. I strongly urge your support of HB 119. This is a responsible change in tax policy that will benefit all alaskans and ensure that our homegrown Alaskan industry is positioned to survive and thrive in the years to come.

I appreciate your time and energy spent on this bill.

Thanks,  
Nathan Allton

Chair Sumner and members of the House Labor and  
Commerce Committee,

My family owns a local cultivation business in the valley and we are struggling. The state excise tax is an extreme burden. I strongly urge your support of HB 119. This is a responsible change in tax policy that will benefit all alaskans and ensure that our homegrown Alaskan industry is positioned to survive and thrive in the years to come.

I appreciate your commitment to small cannabis businesses in Alaska.

Thanks,  
-Kristen Allton

Date: April 20, 2023

To: Honorable Representative Jesse Sumner  
Chair, House Labor & Commerce Committee  
[House.Labor.And.Commerce@akleg.gov](mailto:House.Labor.And.Commerce@akleg.gov)

From: John Collette  
Owner, Ester Horticulture & Research

Re: Support for HB 119  
An Act relating to marijuana taxes; and providing for an effective date

Chair Sumner and distinguished members of the House Labor and Commerce Committee,

I strongly urge your support of HB 119. This is a responsible change in tax policy that will benefit all Alaskans and ensure that our homegrown industry is positioned to thrive in the years to come.

As a small grower in Fairbanks I've been on the front lines since the beginning. Without a change in tax policy this will be my last year as I can no longer support an unprofitable business. With growers paying all the taxes, (while keeping up with all other demands), there is little for growers to live on. Immediate change is necessary.

The current structure of the cannabis industry allows most profits to accrue to retailers: Growers pay all the taxes, retailers control the marketplace and take most of the profits.

If growers were allowed by law and regulation to sell their products through a grower owned cooperative outlet or through direct home deliveries, growers could fairly benefit from their expertise, hard work and serious investments.

HB119 is the first step in addressing the serious shortcomings in the largest horticultural industry in Alaska.

With Respect,

John Collette  
Ester Horticulture & Research  
Fairbanks

Date: 4/18/23

To: Honorable Representative Jesse Sumner

Chair, House Labor & Commerce Committee

[House.Labor.And.Commerce@akleg.gov](mailto:House.Labor.And.Commerce@akleg.gov)

From: Bubba Greens LLC

Owner & Cultivator, Mike Gallagher

[mgbuilders@gmail.com](mailto:mgbuilders@gmail.com)

Re: Support for HB 119

An Act relating to marijuana taxes; and providing for an effective date

Chair Sumner and distinguished members of the House Labor and Commerce Committee,

I strongly urge your support of HB 119. This is a responsible change in tax policy that will benefit all alaskans and ensure that our homegrown Alaskan industry is positioned to survive and thrive in the years to come.

Sincerely,

Bubba Greens

Mike Gallagher, Owner & Cultivator

