



35555 Kenai Spur Hwy. #255
Soldotna, Alaska 99669
907.398.1019 (Tasha)

Dear Representative Sumner,
Handcrafted in Small Batches with Love
using
Authentic Quality Ingredients

April 23, 2023

My name is Autumn Newby and I have joyfully worked in a woman forward Alaskan cannabis company as an operations manager since 2018. I was born and raised in Alaska but left in 2001 to pursue continuing education and another career field. I came back to Alaska in 2018 to work in the legal cannabis industry. I love and want to keep my job which means Lady Gray needs to remain profitable. A huge burden we feel and have been struggling with since inception is the unreasonable excise tax burden on cultivators, leaving us to pay more than 30% in those taxes, not to mention federal taxes. The price of flower has gone down significantly (currently around \$2200/pound for 2023 vs. \$6000 in 2018) but the excise tax rates have stayed fixed. Current studies have come out proving Alaska pays the highest taxes on legal cannabis IN THE NATION (MJBizDaily recent article) which paired with some of the highest operational costs (much due to logistics and nothing can be done) creates a very unfavorable industry climate. By lowering the tax rate you will help push out the black market as well, effectively helping two problems with one action. I am writing to request a committee hearing for HB 119 & 117 this legislative session, this tax situation needs to be fixed immediately if you expect this industry to not only be here next year, but to start actually maturing. Give the people of Alaska what they voted for: a thriving and exciting new industry. Do not continue to squash it by overtaxing and overburdening businesses trying to make these pieces work.

Sincerely,

Autumn Newby
Operations Manager
Lady Gray, LLC