

F. Jack Grossl

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Dear Representative Sumner,

I have been working in and around the Alaskan cannabis industry since 2018. There is no way the current tax situation is sustainable, nor was it ever. Many people voted against cannabis becoming legal in the state because of the way the taxes were structured to begin with. Others were hopeful by simply getting it passed and showing the state what the legal cannabis industry could do, the tax laws would be changed. We started looking for that relief years ago, many people not understanding the enormous ask this was going to be (tax task force, legislation, etc...), nor how long it was likely to take. With that all being underestimated, businesses are already failing and a rapid increase in limited cultivators shutting their doors first. Next will be your standard licenses and with that, there goes all the taxes the State of Alaska has been collecting the last six years.

Shifting and lowering the burden of tax over to the retail space you allow some much needed aid to be delivered to the cultivators and continue to keep an industry in this state. When federal legalization occurs there will still be available tax dollars to be had because you'll be keeping this local industry healthy (not encouraging out of state or online purchases, or even in state manufactures sourcing material all out of state, again avoiding the tax). Without easing the tax burden, things will be easily shifted to the black market or even the hemp market (that generates no state taxes) for more favorable profit margins and rates of return for business owners.

Fight for a thriving legal Alaskan cannabis industry as the voters of Alaska instructed you to do so.

Sincerely,

F. Jack Grossl, Cultivating Consultant