

WHY CANNABIS TAX RELIEF IS NEEDED NOW

AND WHY YOU SHOULD SUPPORT HB 119

- Alaska's recreational cannabis industry is struggling to compete. Change is needed now to protect this new industry.
- Alaska's weight based excise tax is the highest in the nation and a catalyst for a thriving black market.
- Alaskan owned cannabis entrepreneurs are shutting their doors and jobs are being lost.
- Alaska has the highest wholesale price per/lb in the nation (\$2500/lb). This is an unnecessary burden reflected on the pockets of hard working Alaskans.
- Tax delinquency continues to rise. - Simply put, cultivators cannot afford to operate.
- Cannabis is the largest agricultural commodity in the State of Alaska.

WHY NOT STICK WITH THE STATUS QUO?

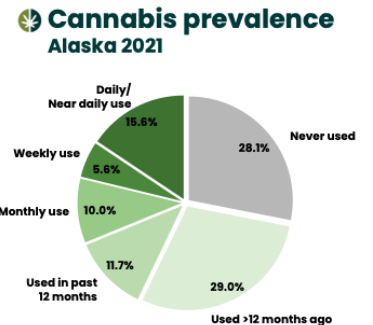
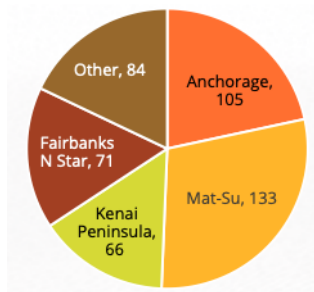
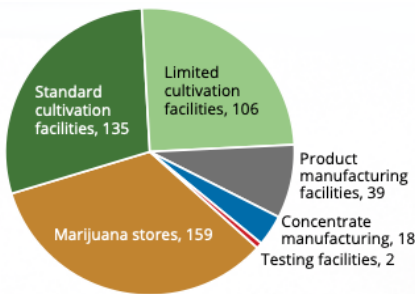
Alaska's share of cannabis tax revenue will erode by nearly \$10M dollars annually by 2026. Cultivations are selling more products at lower tax rates. A small and reasonable retail tax percentage will stabilize the industry and allow us to compete!

Alaska's excise tax is the highest in the nation. One ounce of marijuana on the black market costs around \$100 to \$150 dollars. At a licensed retail store that price is \$250 - \$300 dollars - simply put, the regulated market cannot compete!

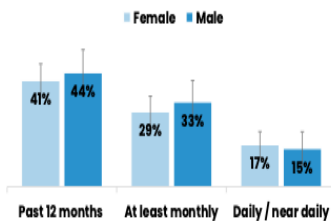
Alaska's cannabis tax delinquency rate continues to rise. Currently there are nearly 60 cultivations delinquent in taxes - this equates to over \$3M in delinquent and unpaid taxes. A shift in taxes will reduce or eliminate tax delinquencies.

It is estimated that over 25 licensed cannabis businesses in the State of Alaska will go out of business in 2023 alone! Without change, this trend will continue. What will happen to these "mom and pop" cultivations once they fail under a mountain of debt? Will they turn to the black market as a means to an end?

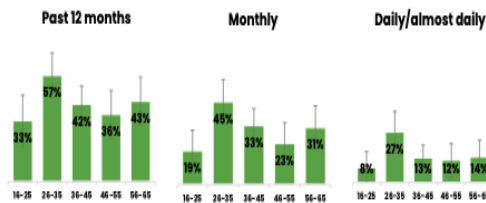
ALASKA CANNABIS AT A GLANCE



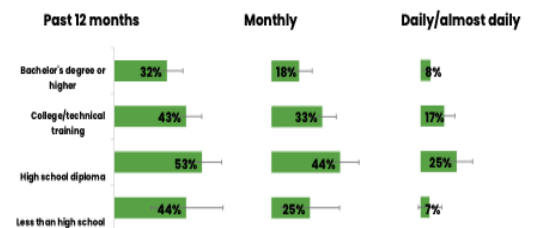
By sex



By age



By education



ESTIMATED ANNUAL CANNABIS RELATED JOBS in 2023: 2,500

ESTIMATED ANNUAL WAGES PAID ~\$30M !

TAX COLLECTED BY THE STATE SINCE LEGALIZATION: ~\$150M

