
Stuart Consulting

Community Education | Changing Stigma

Date: January 15th, 2023

From: Stuart Consulting
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To: Honorable Representative Sumner & Members
House Labor & Commerce Committee

Re: Support for House Bill 119

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

I am writing to you today in support of HB 119. As one of the longest standing businesses in this industry I have seen firsthand what our tax structure has done to this industry. We have one of the highest tax rates of any state with the burden being placed on the agricultural end of this industry.

HB 119 will provide the State of Alaska with future revenue. As the excise tax stands, upon legalization, most cannabis will be imported into the state of Alaska and with our current tax structure will not incur taxation on the state level. The Department of Revenue is already reporting a decline in marijuana excise tax. When federal legalization occurs this drop will be substantial and as a resident of Alaska, I would hate to see programs under funded or completely terminated due to a lack of funding that could have been prevented with HB 119. Additionally, HB 119 will facilitate a more fluid working Alcohol & Marijuana Control Office. Per the request of the Director and Board this will change statue lanuage to establish biannual licensing. This is in par with the Alcohol industry and will facilitate in the operations of AMCO.

We need your help, the cannabis industry is suffering from undue burdens placed on the industry. Most of the excise taxes are paid in cash and there is only ONE tax collection box for the industry in the whole state. Many cultivators travel hundreds of miles every month to be in good standing with the state. Many cultivators are not located on roads systems as well. This means a plane ticket every month that in some cases is more than the excise taxes that are being paid.

After 7 years of operations and almost 10 years of legalization we are asking for your help in correcting some of the oversight in statue that created burdensome framework to operate within. I ask that you support HB 119 and support commerce within the State of Alaska.

Best Regards,

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