

Konrad Jackson

From: Denali Gold <denaligoldllc@gmail.com>
Sent: Thursday, January 30, 2025 9:54 PM
To: Senate Labor and Commerce; Sen. Jesse Bjorkman; Sen. Kelly Merrick; Sen. Elvi Gray-Jackson; Sen. Forrest Dunbar; Sen. Robert Yundt
Subject: SB73

Greetings ladies and gentlemen,

I'm reaching out to you concerning Senate Bill 73 regarding taxation, registration, and additional corporate taxation on the cannabis industry. I was notified earlier this evening that your committee is meeting on Monday afternoon. Hence the purpose of this email.

Our industry has been overtaxed since day one. I believe in an over zealous effort to pass cannabis in the state of Alaska the proponents of the original bill agreed to anything in order to get Cannabis approved. These fees were supposed to be reviewed and they never were.

However, we are now into year 9 of this industry's childhood and taxation is killing it.

As a small family owned cultivator any excess money we have at the end of the month is eaten up by the taxes we pay. We have taken barely any income from this and have been hoping for the last few years that the situation would change. Just last year we thought it would, but in the 11th hour the bill was killed in May 2024.

We truly believe that the proposed taxes of \$12.50 per ounce is a much more reasonable amount versus the \$50 per ounce currently in place. The time to do something is now.

This past year, many cultivators went out of business because they could no longer afford the excessive taxation of the industry. This is further verified by the amount of money that is due to the department of revenue by cultivation facilities that are no longer in business. This amount exceeds the millions which the state has no hopes of getting. But continuing with this excessive taxation and penalizing the companies that are paying is inherently wrong.

Another aspect of this proposed bill is the registration fees paid annually. Alcohol registration fees are due bi-annually. They are about \$1200 per license. Cannabis registration/renewal fees are \$7000 annually. There is a massive disparity here. Cannabis registration fees should be similar to those of the alcohol side of AMCO's office.

This disparity really needs to be fixed. They proposed bill reduces the annual registration fee for cultivators by \$2000. So instead of \$7000 per year it's \$5000 per year. This is still excessive. It should be no more than \$2500 per year, which is still 4 times what the alcohol registration renewal fees are. So, effectively as it stands now in a two year period an alcohol license costs \$2500 and a Cannabis cultivation license cost \$14,000. This doesn't even make any sense.

The previous AMCO Director Joan Wilson felt that alcohol and cannabis should have been treated and taxed comparatively. She spoke of this many times during zoom meetings we had over the course of the last few years before her departure.

In addition, at this point, additional corporate taxation on the cannabis industry is foolish to say the least. Taxing C Corps who are already paying a premium for their license as well as an exorbitant amount of monthly taxes is appalling.

Thank you for taking the time to read this rather lengthy email. I am just a small business owner that has invested a lot of time and money and wondering where it's going to end up at this point

My best to all of you.

Respectfully,

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