

Current Tax Rates

- Square Footage Tax – Cultivation & Manufacturing
 - 20,000 sq. ft. or less \$15 per square foot annually
- Gross Receipts Tax – All Cannabis Business Activities
 - Cultivation 4%, Retail 6%, Manufacturing 2%, Distribution 2%, Testing 1%

Current Tax Revenues

<u>Fiscal</u>	<u>Tax</u>		<u>2021</u>
2022	1,800,000	Cultivation 4%	1,229,184
2021	1,897,514	Manufacturing 2%	32,125
2020	466,212	Distribution 2%	75
2019	642,351	Retail 6%	636,130
2018	36,375	Testing 1%	-
			<u>1,897,514</u>

Recommended Structure

- Remove square footage tax (Cultivation and Manufacturing)
- Gross receipts
 - Cultivation - 3% (with 2 year step down 1% per year)
 - Retail - 6%
 - Manufacturing - 2%
 - Distribution - 0%
 - Testing - 0%
- Direct expected costs
 - \$245,000 per year over 2 years.
 - Expected to be offset long term by new cultivation businesses.