

Submitter: Elisabeth Ryan

On Behalf Of:

Committee: House Committee On Economic Development and Small Business

Measure: HB2505

Hello,

I am a small business owner in the cannabis industry, and I am strongly opposed to the proposed tax increase. Much of the cannabis industry is already in crisis and tax increases will only be further destabilizing. Lack of banking access, high taxation, high overhead associated with regulatory compliance, and federal tax code, which prohibits cannabis businesses from taking normal deductions, are burdening the industry to a breaking point. These challenges hinder my ability to grow my business and hire more employees. I am scared that if this tax increase passes I will have to lay off employees to absorb the cost.

Tax increases can have an inverse effect on states' ability to collect revenues by suppressing consumer demand and driving activity to the black market. States that have adopted higher tax rates have undermined their own legal markets and, as in the case of California, have driven the estimated majority of business activity to the black market.

Lastly, tax increases will push ownership out the hands of the remaining small businesses. Oregon's initial open and competitive licensing process empowered small businesses and first-time business owners such as myself and created a market well-known for quality and innovation. In the same way that we can recognize the enormous value that the craft beer and wine industries bring to the economic identity of Oregon, we need to recognize the same value in Oregon's craft cannabis industry and protect our small farmers and boutique shops that offer quality, craft products.

The cannabis industry pays more than its fair share of taxes. Please vote no on HB2505.

Thank you,
Elisabeth Ryan