



Curio Wellness Written Comments
SB1045 Hearing – Wednesday, March 12, 2025

Honorable Members of the Maryland General Assembly,

I am writing to express strong opposition to Senate Bill 1045, a measure that, if enacted, would impose an undue financial and operational burden on Maryland's cannabis industry, who already navigate a uniquely challenging regulatory and economic landscape.

Punitive Taxation Without Standard Business Deductions

Unlike other industries, cannabis operators are severely restricted in their ability to deduct ordinary business expenses due to federal prohibition and Internal Revenue Code Section 280E. This means that federally every dollar of revenue is taxed at an exceptionally high effective rate, as businesses cannot deduct expenses such as rent, payroll, or marketing. Adding a state-level business-to-business tax only compounds this burden, further squeezing an industry that already faces an extraordinarily high cost of compliance.

The Burden of Taxing Separate but Related Entities

Under Maryland's existing regulatory framework, cannabis operators holding multiple licenses must treat each license as a distinct business entity due to the state-mandated seed-to-sale tracking system. While these licenses may be held under a single corporate umbrella, each operates as an independent business, a requirement dictated by the state itself. As a result, the proposed business-to-business tax structure would force cannabis operators to effectively tax themselves when transferring services between their own legally distinct licenses. This creates a redundant and punitive taxation structure that does not align with standard business taxation principles and significantly increases operational costs.

Federal Tariffs and Additional Economic Barriers

Maryland cannabis operators already struggle with economic headwinds imposed at the federal level, including tariffs and banking restrictions. These barriers make it exceedingly difficult for operators to maintain profitability and invest in growth. A state-imposed business-to-business tax would introduce yet another layer of financial hardship, exacerbating the economic disadvantages already imposed on this industry.

A Contradiction to Maryland's Generational Wealth Goals

The state of Maryland has emphasized the importance of using its cannabis program as a vehicle for creating generational wealth, particularly for communities historically harmed by prohibition. However, Senate Bill 1045 directly contradicts this goal by imposing additional financial burdens on an industry already facing exorbitant start-up costs and what is often referred to as the "cannabis tax"—the reality that businesses operating in state-legal cannabis face inflated costs simply due to their industry. With high barriers to entry and an inability to write off standard business expenses, cannabis operators are already at a disadvantage compared to other industries. The introduction of yet another tax further erodes profitability and disproportionately harms small and minority-owned businesses striving to build long-term economic stability. Instead of fostering generational wealth, this bill would create additional obstacles that make it even more difficult for Maryland's cannabis entrepreneurs to succeed.

Conclusion

The cannabis industry in Maryland is already highly regulated, heavily taxed, and uniquely disadvantaged due to federal restrictions. Senate Bill 1045 would unfairly penalize multi-license operators, impose duplicative taxation, and hinder the ability of businesses to succeed. Rather than implementing additional taxation, Maryland should be seeking ways to support this emerging industry, ensuring its long-term sustainability and success. We urge the legislature to omit the cannabis industry from Senate Bill 1045 which aligns with Maryland's broader commitment to fostering a pro-business climate and supporting generational wealth creation.

Curio Wellness

Founded and based in Maryland, [Curio Wellness](#) is a family-owned and operated cGMP certified cannabis company and trusted wellness partner. We're dedicated to increasing the accessibility of high-quality cannabis to the growing population of citizens who seek safe, effective, and reliable products. Available in over 90 dispensaries across Maryland, our focus on innovative and high-quality products and services has made Curio a market leader in Maryland. Moreover, as an organization, Curio knows that a diverse and inclusive workforce creates an optimum workplace that attracts and retains talented employees and loyal customers. In fact, this commitment to diversity has been present since inception with Curio's inaugural leadership team comprising a multi-racial group of men and women. As the company has grown, so has its focus on a diverse team of workers and leaders. Overall, 40% of the Curio Wellness workforce is female and 44% identifies as Black, Hispanic, Asian, American Indian or Alaska Native, or multi-racial. Among management, 39% are female and 27% identify as Black, Hispanic, or multi-racial.

Respectfully submitted,

Wendy Bronfein

Co-Founder, Chief Brand Officer & Director of Public Policy

March 10, 2025

