



**STATEMENT BY
THE GREATER BETHESDA CHAMBER OF COMMERCE
REGARDING
SB0146 - INCOME TAX - SUBTRACTION MODIFICATION - EXPENSES OF MEDICAL CANNABIS
GROWER, PROCESSOR, DISPENSARY, OR INDEPENDENT TESTING LABORATORY
SENATE BUDGET & TAXATION COMMITTEE
JANUARY 22, 2020
POSITION: FAVORABLE REPORT**

On behalf of our 540-member businesses and more than 45,000 employees in Montgomery County, this statement is in **SUPPORT of SB0146 - Income Tax - Subtraction Modification - Expenses of Medical Cannabis Grower, Processor, Dispensary, or Independent Testing Laboratory**. This legislation allows a subtraction modification under the Maryland income tax for amounts of ordinary and necessary expenses paid or incurred during the taxable year, including a reasonable allowance for salaries and certain other compensation, in carrying on a trade or business as a certain medical cannabis grower, processor, dispensary, or independent testing laboratory.

We appreciate the leadership of Senators Young and Feldman for sponsoring this important legislation. Our primary concern in regards to this issue is that of parity and how this specific industry is treated. As evidenced in the fiscal note for this bill, the medical cannabis industry is one of the fastest growing industries and one that has a positive impact not only on the health and wellness of Marylanders but also the financial future fiscal of the State of Maryland.

As medical cannabis growers, processors, dispensaries and independent testing laboratories are recognized by the State of Maryland as legal businesses, there is no reason why they should be denied the same benefits of all other industries when it comes to claiming ordinary and business expense deductions.

We understand the current situation is due to an antiquated policy dating back to when the cannabis industry was not legal and therefore "drug dealers" were prohibited from deducting business expenses, even though they did and still do pay income taxes. We just ask for parity now and allowing this industry to run their businesses on a level playing field as all other legal industries in the State of Maryland.

For these reasons, we request a **favorable report on SB146**. Thank you for your consideration of these remarks.