



January 19, 2021  
Re: HB0217

To the members of the Ways & Means Committee,

My name is Mitchell Trellis and I'm writing on behalf of medical cannabis dispensaries in the state of Maryland. Our organization was the 7th dispensary opened in Dec 2017, and we just finished our 3rd year in business, with total retail sales of approximately 26 million dollars.

Over the last 3 years, our annual combined state and federal tax rate has been approximately 71%. This is neither fair nor right. Our businesses were granted the right to start and lead this new market in Maryland, and we find ourselves paying an extra tax to do so. The tax burden placed upon cannabis licensees is detrimental not just to our business, but to the growth and development of the industry as a whole. It minimizes free cash available for cash flow, expansion, growth and other normal business practices. It leads us to run our business in byzantine and inefficient ways. Ultimately, it raises the end price for patients across the state. It is also fundamentally unfair.

Ours is a licensed medical dispensary participating in the State medical cannabis program, and yet we are not regarded as having the legitimacy of a lawful business when it comes to our tax burden. We are not allowed to deduct basic, ordinary costs, like those associated with labor and marketing. We ask you to consider this, for a moment, from a business point of view. No normal business could survive paying tax on phantom income that doesn't actually exist, and yet this is the burden upon us. For the good of the medical cannabis industry in Maryland, I ask that this bill be considered, as it benefits Maryland residents, businesses and medical patients.

Thank you for your time and attention.

Best Regards,

Mitchell Trellis  
Chief Executive Officer  
Remedy Medical Dispensary