

Hallaway LLC, dba Star Buds
5075 Belair Rd
Baltimore MD 21202

January 18, 2021

To: Ways & Means and Health and Government Operations – State of Maryland

RE: House Bill 217 -Subtraction Modification - Expenses of Medical Cannabis Grower, Processor, Dispensary or Independent Testing Laboratory

To Delegate Wilkins:

My name is Carissa Cartalemi, I am the Founding Treasurer of the MD Medical Dispensary Association and the Owner/Operator of Star Buds, a licensed medical cannabis dispensary. I am writing to you today to ask you to **support House Bills 217, which applies a state level fix to 280E.**

In the Internal Revenue Code, 280E forbids cannabis businesses like mine from deducting otherwise normal business expenses. Normal business expenses like my staff's salaries, health insurance premiums, and any bonuses we might offer. Ordinary repairs and maintenance we may need to perform in order to stay compliant and safe, also are not deductible. My business pays an effective tax rate of 60% because of this law. If I owned a health food store that sold CBD, I would be able to write off the cost of marketing, community engagement, and employee education, but because I own and operate a medical cannabis dispensary my business is taxed on income much higher than our actual profits.

While there is still much to do at the federal level to fix 208E for legal cannabis businesses, HB 217 allows a state level fix. I encourage you to look into other states that have passed 280E relief at the state level, such as Arkansas, California, Colorado, Hawaii, New Hampshire, New Jersey, Oregon and Pennsylvania¹. **Thank you for taking the time to read my letter, and I respectfully ask that you vote to support HB 217.**

Sincerely,

Carissa Cartalemi
924 Stubblefield Lane
Baltimore, MD 21202

¹ <https://www.foxrothschild.com/content/uploads/2018/08/Cannabis-Tax-E-book-Septemberv2-2018-2.pdf>