

Supervisor Williams Memo Regarding 14 March, 2023 item 4G

Using an (under-reported) average inflation rate of 4.45%, an unpaid \$5,000 Cannabis Business Tax bill in 2018 has lost buying power at a cumulative inflation of -13.92%. Receiving the \$5,000 without interest today, the buying power is only \$4,304. Many businesses across sectors would favor multi-year interest-free loans from the government, but the government's money is the people's money, and where we could fill 50 potholes with proceeds in 2018, we might only fill 43 today. Without interest, we are, in effect, redistributing wealth one pothole at a time. Interest on late payments is inherent in the time value of money and is not a penalty. Rather, waiving interest is a gift of public funds.

