Feb 1, 2022

Dear Board of Supervisors,

I would like to support the letter written by Paul Hansbury and request that the board take immediate action to deem the Equity Grant NOT taxable as income.

Otherwise, how are low-income applicants to afford these additional costs? It will be roughly $14,000 to pay in taxes for accepting the $50K under the current policy. All of these funds will have to be funded by the applicant. This equals about 28% between a state and federal tax filing.

I know some farmers are thinking that maybe the things they purchase can be written off as business expenses. However there is a problem with that, and it's the awful 280e tax provision that disallows many normal business expenses, because well you guessed it, we are cannabis businesses. As long as the Federal Government deems it illegal, we are stuck with this terrible tax law.

The only expenses a cultivator can deduct are Cost of Goods Sold that are a direct correlation to growing the cannabis for sale. All other expenses are not allowed to be deducted like office supplies, marketing expenses, most building improvements etc.

If the Board has the power to change this grant tax designation, please do so to help small farms like myself. Many low-income applicants stand to lose their current health care coverage unless the grant is reclassified. There was a possible solution by giving out the money in 2 separate installments spread over 2 years, but many applicants did not receive funding in 2021.

Please help make this right so applicants can use the money to benefit their businesses, the way the grant was intended. Not to cause a farmer to lose health insurance or go into debt to pay additional taxes incurred by accepting the grant.

Thank you,
Monique Ramirez