

Hello-

My name is Chiah Rodriques, my husband and I have a cultivation license and nursery license here in the county. Every time we go to pay our quarterly 2.5% tax to the county for payments collected for product the previous quarter we are revisited by the feelings of unfairness around paying 2.5% on the gross income.

Let me explain.

The California State Tax rates are:

Flower:

\$9.65 per dry-weight ounce which is \$154.40 per flower pound.

Leaf:

\$2.87 per dry-weight ounce \$45.92 per pound for shake.

Mendocino County:

At the county level we are required to pay tax on the gross sales state tax total each quarter. This is double taxation. I am required to note my gross receipts, which includes the state tax amount, then calculate 2.5% on that.

Example:

For this example I will break it down with the State Flower Tax rate only.

100 pounds at going rate of \$1200/lb. plus tax is \$1354.40 is \$135,440.

We get paid \$120,000 from that vendor after tax is withheld and paid to the state on my behalf by the vendor.

We are required to calculate 2.5% on the original amount equaling \$3,386. We are being taxed locally for money that was a tax to the state.

If we were to be taxed 2.5% on the \$120,000 amount we actually brought home then we would pay \$3000.

We are aware that cannabis is holding up the county budget currently. This feels unfair and we need to revisit this part of the ordinance.

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-Chiah Rodriques