



June 1st

Re: BOS 6.2.2021 Agenda Item 4a

Dear Honorable Board of Supervisors,

The Covelo Cannabis Advocacy Group would like to offer the following recommendations in regards to Agenda Item 4a:

- 1. Base the cultivation business tax calculations on Gross receipts minus State mandated cultivation taxes**
- 2. Require a 5% cannabis business tax for cultivation sites larger than 10,000 sq ft**
- 3. The Board should consider revising the Appeals Process**  
Cultivation tax and appeal filing fees should be waived for operators that have been impacted by crop loss, failed testing, or natural disasters such as the August Complex Fire. Affidavit forms could replace the appeal process to reduce unnecessary filing fees to applicants seeking tax relief.
- 4. Cannabis Business Tax minimum requirements should be eliminated**  
Cultivation taxes should be based on products sold for the year. Cannabis businesses should be held to the same business tax obligations as other non-cannabis businesses in Mendocino County.
- 5. Distribution, Manufacturing, Testing and Processing License holders should pay a 2.5% cannabis business tax fee instead of the current flat tax fee of \$2500**

Thank you for the opportunity to provide these recommendations. We look forward to the Board discussion on this important topic and hope that these recommendations will be considered.

Respectfully,

Monique Ramirez

For the Covelo Cannabis Advocacy Group