

From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Supervisors](#); [BOS-Legislative Aides](#)
Cc: [Calvillo, Angela \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [Jalipa, Brent \(BOS\)](#); [BOS Legislation, \(BOS\)](#)
Subject: FW: Support for suspending the gross receipts tax increase on cannabis retailers
Date: Monday, November 21, 2022 3:27:54 PM

Hello,

Please see below for communication from The Green Cross regarding File No. 221070.

File No. 221070 - Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax

Sincerely,

Joe Adkins
Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Phone: (415) 554-5184 | Fax: (415) 554-5163
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From: Kevin Reed <kevinreed@thegreencross.org>
Sent: Monday, November 14, 2022 11:03 AM
To: Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>
Subject: Support for suspending the gross receipts tax increase on cannabis retailers

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Dear Board of Supervisors:

As Founder and President of The Green Cross, I am writing today on behalf of our organization to implore San Francisco to take immediate action to support the cannabis industry and its operators by approving Supervisor Mandelman's ordinance amending the Business and Tax Regulations Code to suspend the imposition of the Cannabis Business Tax through December 31, 2025.

By suspending the gross receipts tax increase on cannabis retail entities through 2025, this will allow cannabis retailers to stay afloat during these challenging times. As things stand right now, cannabis retailers in San Francisco pay their fair share of gross receipt taxes at a rate of 0.1%, which is the same rate as non-cannabis retailers. If this legislation is not passed, in 2023 the gross receipts tax rate for cannabis retailers will increase to 5.0%. No other retailers or types of business in San Francisco pay this high of a tax rate on gross receipts, especially during a time of economic turmoil when many businesses are still recovering from the pandemic, supply chain issues, inflation,

decreases in local tourism, fluctuations in BART ridership, costly COVID-19 safety measures, and vast declines in overall sales. We are also unable to take advantage of tax relief offered to other businesses as a federally illegal business. We are struggling right now and need your support more than ever.

The estimated revenue from this tax increase is \$10 million per year. Given that the San Francisco Controller has estimated that only 33% of cannabis retailers are a part of the legal regulated market, it is highly unlikely that cannabis retailers will generate the kind of revenue needed for this tax increase. This revenue is new and will not create a deficit for the City's Treasury if the tax increase is suspended.

As a nonprofit public benefit corporation in operation since 2004, The Green Cross is an integral part of the San Francisco community. We are one of the first licensed dispensaries in San Francisco and have worked hard to build strong relationships and gain trust with local public officials, constituents, residents, and our members.

Our top priority is to provide members with high-quality cannabis at affordable prices, which has become increasingly challenging with ongoing inflation and supply chain issues. It's also important to The Green Cross to offer our members a comfortable and accessible place to purchase cannabis and cannabis-infused products from professional and courteous staff.

The Green Cross has become known as an exemplar in community and outreach services by offering member consulting and compassionate care services that go above and beyond traditional dispensary services, showing the importance of cannabis not only to our members, but to the community and the local government as well. We strive to continue to offer these vital services moving forward.

A primary goal of The Green Cross is to promote social equity, including improving the social and economic conditions of our neighborhood, while providing living wages to residents of the surrounding area. At our storefront in the Excelsior District, we take pride in providing employment opportunities to talented individuals from diverse backgrounds, including many neighborhood residents. The Green Cross participates in the SF Cannabis Equity Program, which seeks to support people harmed by the War on Drugs, including business owners, job candidates and other nonprofit organizations.

The Green Cross strives to be a valuable asset to the surrounding neighborhood and maintain a welcoming and safe environment for neighbors, local businesses, and members alike. It was a lengthy process to open our current storefront, and we take great pride in serving San Francisco for the past 18 years and hope to continue doing so for many years to come.

Many cannabis businesses in California are floundering right now. With heavy taxes and onerous regulations and licensing fees, it is becoming impossible for cannabis businesses to be profitable in the current economy. The increased cost of doing business and higher pricing is forcing more and more cannabis producers and consumers to seek the illicit market.

Over the past year, The Green Cross has taken drastic measures to stabilize our financial circumstances. We have greatly cut down on company spending, reduced our workforce significantly, decreased our hours of operation due to lower sales, raised prices on all products, and made many other necessary changes to minimize our financial burden. The Green Cross, along with other businesses, is at risk of closing for good. We are now in the position where we must ask for help and implore the Board of Supervisors to take necessary action to support our business and industry by approving this amendment.

Thank you for your time and consideration. If you have any questions, concerns, or require further information, please don't hesitate to contact me directly at KevinReed@TheGreenCross.org or (415) 846-7671.

Sincerely,

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Kevin Reed

Founder & President
The Green Cross
4218 Mission Street
San Francisco, CA 94112

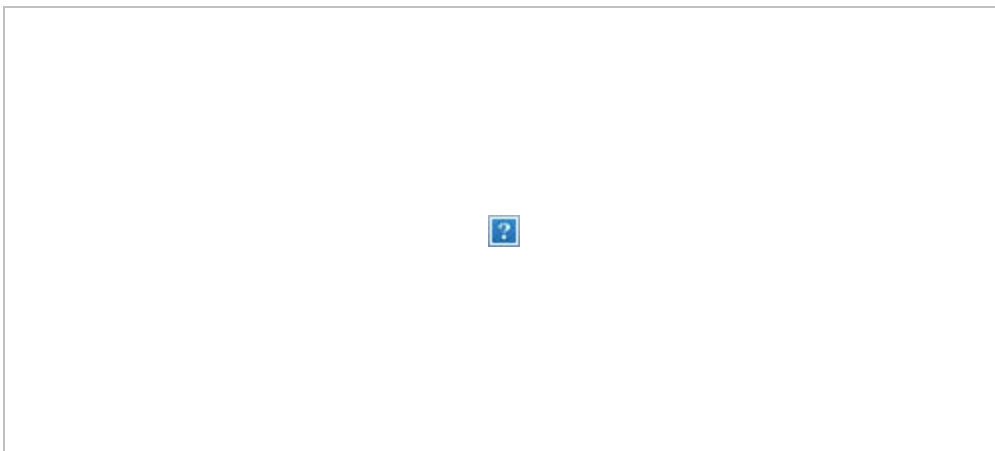
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From: [Bram Goodwin](#)
To: [Preston Dean \(BOS\)](#); [MandelmanStaff \(BOS\)](#); [DorseyStaff \(BOS\)](#); [ChanStaff \(BOS\)](#); [Mar Gordon \(BOS\)](#); [MelgarStaff \(BOS\)](#); [Peskin, Aaron \(BOS\)](#); [RonenStaff \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Stefani, Catherine \(BOS\)](#); [Walton, Shamann \(BOS\)](#)
Cc: [Kilgore, Preston \(BOS\)](#); [Prager, Jackie \(BOS\)](#); [Green, Ross \(BOS\)](#); [David Goldman](#); [Johnny Delaplane](#); [BOS Legislation \(BOS\)](#)
Subject: I urge you to support Supervisor Mandelman's legislation #221070 by voting YES on Tuesday November 15
Date: Friday, November 11, 2022 8:01:50 AM

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Supervisors,

Supervisor Mandelman has introduced a bill, #221070, on Tuesday's Board of Supervisor's agenda, holding the SF Gross Receipts Tax for Cannabis Retailers at 0.1% until December 31, 2025. This legislation was recommended to the BOS for passage by the Budget Committee.

I urge you to support Supervisor Mandelman's legislation by voting YES on Tuesday November 15, agenda item #5.

The cannabis retail entities in San Francisco are currently paying their fair share of gross receipts taxes at a rate of 0.1%, the same rate as non-cannabis retail entities. If this legislation is not passed, then cannabis retail entities in 2023 will have their gross receipts tax rate increased 50 times to 5.0%. No other retail entity or other type of business in San Francisco pays anywhere near this tax rate on gross receipts.

As has been discussed recently, the Legal SF Cannabis business has just emerged in 2018 from 100 years of illegality, and is competing against illegal cannabis operators, who have twice as much of the local cannabis market, but do not pay any licence, retail taxes. Thus their prices for comparable cannabis products is about 1/3 of the retail prices charged by our legal SF retail cannabis Dispensaries.

We need to make our legal cannabis retailers competitive, give them the ability to capture a larger share of the total cannabis market.

By you taking this action of voting YES on item #5, you are helping them compete, build their business, add local jobs, eventually increasing the tax revenue coming to the city.

We, in the Cannabis industry, appreciate the generally fair approach demonstrated by our SF elected officials, cannabis regulators.

It is only fair that Cannabis consumers pay a similar tax to other retail customers.

Please vote YES on ordinance #221070 at your Board of Supervisors's meeting on Tuesday, November 15.

Thank you.

bram

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From: [Nancy Do](#)
To: [Jalipa, Brent \(BOS\)](#)
Subject: Endo Industries Supports The Extension of SF Cannabis Gross Receipts Tax Deferral
Date: Wednesday, November 9, 2022 11:27:13 AM

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Hi Brent,

I hope this finds you well.

My name is Nancy Do and I'd like kindly request passing this SF Cannabis Gross Receipts Tax Deferral legislation, file no. 221070, immediately through Budget and Finance Committee to the full board of Supervisors without any changes or amendments. We don't have time for any language changes if we are going to get this passed by December 31st.

I have been a legacy and equity cannabis operator in San Francisco since 2009. The entire industry is struggling right now and we really need support of city to recalibrate.

Another issue is the length of time to get licensing in San Francisco is much too long. It makes it impossible for small businesses, and particularly social equity operators, to find stability.. let alone success.

Getting this Gross Receipts Tax Referral is one step closer to helping us sustain ourselves while the industry crashes around us. Our industry is facing the gravest cannabis recession we have known to date. We need tax relief now more than ever! I urge you to make the right decisions.

Sincerest thank yous for your consideration.

From: [Jake Wall](#)
To: [Jalipa Brent \(BOS\)](#)
Subject: Regarding the Budget and Finance Committee on Today (November 9) | SF Cannabis Gross Receipts Tax Deferral
Date: Wednesday, November 9, 2022 10:22:40 AM
Attachments: [image001.png](#)

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Good Morning Brent.

I am reaching out to you in advance of today's Budget and Finance Committee meeting which I am also planning on attending to further show my support.

For context, I am both a resident of San Francisco – living in San Francisco's SOMA district 9 – as well as being engaged in doing business in San Francisco with my company also located in District 9. I want to formally, in writing, voice my support for the proposed SF Cannabis Gross Receipts Tax Deferral.

It is important that the Budget and Finance Committee pass this SF Cannabis Gross Receipts Tax Deferral legislation, file no. 221070, immediately moving this to the full board of Supervisors without any changes or amendments.

Cannabis has proven itself to be a viable and valuable collection of business operators within San Francisco including providing products deemed “essential services” during the COVID-19 pandemic. We are also an industry in crisis, and we need the support of City decision makers to ensure we can survive the gravest recession legal cannabis has known to date. Given the very real impact being felt daily by industry players doing business within San Francisco, we don't have time for any language changes if we are going to get this passed by Dec. 31 in hopes of ensuring greater success for this industry and for the city in 2023.

As a resident, I require easy and convenient access to cannabis for my own medical needs. Further, I know the value of these operators in also staving off urban blight as so many retail street level and business zoned spaces across the city are still vacant even well after we have emerged from the COVID-19 pandemic lockdown. As an industry that lacks the support of greater federal governmental aide opportunities, cannabis is fully reliant on forward-thinking, regional thought leaders and doers like yourselves to help engineer key decisions that further opportunity and support this important legal industry and furthering San Francisco's place as a leader in intelligent economic opportunity governance for emerging industries.

Thank you in advance for your careful consideration and I truly hope we can count on the committee's forward thinking and support.

All my best.

Jake Wall
Resident, Business Owner, Active Community Member

jake wall // chief innovation officer

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"I came to slay, bitch." – BEYONCE