

From: [Board of Supervisors, \(BOS\)](#)
To: [Jalipa, Brent \(BOS\)](#)
Subject: FW: Support Supervisor Mandelman's legislation to delay the implementation of Proposition D
Date: Thursday, December 2, 2021 12:47:48 PM

From: Board of Supervisors, (BOS)
Sent: Thursday, December 2, 2021 10:23 AM
To: BOS-Supervisors <bos-supervisors@sfgov.org>
Cc: Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Laxamana, Junko (BOS) <junko.laxamana@sfgov.org>; Mchugh, Eileen (BOS) <eileen.e.mchugh@sfgov.org>; Ng, Wilson (BOS) <wilson.l.ng@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>
Subject: FW: Support Supervisor Mandelman's legislation to delay the implementation of Proposition D

Ref. File No. 211150

From: David Hua <david@getmeadow.com>
Sent: Tuesday, November 30, 2021 11:00 AM
To: Haneystaff (BOS) <haneystaff@sfgov.org>
Cc: BOS-Legislative Aides <bos-legislative_aides@sfgov.org>; Office of Cannabis (ADM) <officeofcannabis@sfgov.org>
Subject: Support Supervisor Mandelman's legislation to delay the implementation of Proposition D

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Matt Haney, Staff, and Office of Cannabis:

On behalf of my team at [Meadow](#), a local cannabis retail software business headquartered in San Francisco since 2014, we are writing to you today to support Supervisor Mandelman's legislation to delay the implementation of Proposition D, the increase in the gross receipts tax rates for cannabis businesses. This delay will allow the Board to carefully consider and permanently set a sustainable gross receipts tax rate for the cannabis industry in the future.

If Proposition D goes into effect on January 1st, 2022, cannabis retail entities will face a gross receipts tax increase from approximately 0.1% to 5.0%, a 50-fold increase. No other business in San Francisco pays such a high tax rate. The highest rate paid by any type of business is currently no higher than 0.5%.

The estimated \$8.5 million that will be generated by this new tax is only 0.06% of the overall \$12.8 billion that is budgeted for fiscal year 2022-2023.

The City should not abandon its goals of job creation and social justice for a tiny amount of

tax revenue. Please, let the industry stabilize before deciding on a tax rate.

Our industry, after a Covid-fueled boom, is having the worst year on record since the passage of Proposition 64. Wholesale prices have plummeted, disrupting the entire supply chain and leading to many business closures. Retail revenues are down 30% across the board from this same time last year.

This tax increase will undoubtedly be passed down to the customers, allowing the unregulated market to continue to grow in strength. Raising the gross receipts tax rate now will only exacerbate the flight by cannabis consumers to the unregulated market in response to the inevitable price increases they will soon face next January.

Please support the delay in implementation so we can work together on determining a sustainable rate that will allow cannabis to realize its promise of creating new jobs, launching social equity businesses, and revitalizing retail corridors.

Thank you.

Sincerely,
David Hua



David Hua
Founder, CEO

415.212.8985
david@getmeadow.com



getmeadow.com
60 13th Street
San Francisco, CA 94103

From: [Board of Supervisors, \(BOS\)](#)
To: [Jalipa, Brent \(BOS\)](#)
Subject: FW: SUPPORT: Please vote "YES" to delay implementation of the Prop D Cannabis Gross Receipts Tax Tuesday
Date: Thursday, December 2, 2021 12:48:27 PM
Attachments: [SFCRA Prop D Letter 11 29 2021\(final\).pdf](#)

211150

From: Board of Supervisors, (BOS)
Sent: Thursday, December 2, 2021 10:18 AM
To: Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Laxamana, Junko (BOS) <junko.laxamana@sfgov.org>; Mchugh, Eileen (BOS) <eileen.e.mchugh@sfgov.org>; Ng, Wilson (BOS) <wilson.l.ng@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>
Subject: FW: SUPPORT: Please vote "YES" to delay implementation of the Prop D Cannabis Gross Receipts Tax Tuesday

From: John Delaplane <johnny@access-sf.org>
Sent: Monday, November 29, 2021 9:24 AM
To: BOS-Supervisors <bos-supervisors@sfgov.org>; BOS-Legislative Aides <bos-legislative_aides@sfgov.org>; Office of Cannabis (ADM) <officeofcannabis@sfgov.org>
Subject: SUPPORT: Please vote "YES" to delay implementation of the Prop D Cannabis Gross Receipts Tax Tuesday

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

(Below and attached)

Good morning Supervisors, Staff, and Office of Cannabis:

On behalf of the membership of the San Francisco Cannabis Retailers Alliance, a trade organization representing many legacy and social equity cannabis retail operators in San Francisco, we are writing today to support Supervisor Mandelman's legislation to delay the implementation of Proposition D, the increase in the gross receipts tax rate for cannabis businesses. This delay will allow the Board to carefully consider and permanently set a sustainable gross receipts tax rate for the cannabis industry in the future.

If Proposition D goes into effect on January 1st, 2022, cannabis retail entities will face a gross receipts tax increase from approximately 0.1% to 5.0%, a 50-fold increase. No other business in San Francisco pays such a high tax rate. The highest rate paid by any type of business is currently no higher than 0.5%.

The City should not abandon its goals of job creation and social justice in favor of tax revenue. The

social equity program, while slow out of the gate, is finally starting to gain steam, with new businesses opening every month. But these nascent businesses need time to ramp up. Please, let the local industry stabilize before deciding on a permanent tax rate.

Our industry, after a covid-fueled boom in 2020, is having the worst year on record since the passage of Proposition 64. Wholesale prices have plummeted, disrupting the entire supply chain and leading to many business closures. Retail revenues are down 30% across the board from this same time last year.

This tax increase will undoubtedly be passed down to the customers, allowing the unregulated market to continue to grow in strength. Raising the gross receipts tax rate now will only exacerbate the flight by cannabis consumers to the unregulated market in response to the inevitable price increases they will soon face next January.

Please support the delay in the Prop D cannabis tax implementation so we can work together on determining a sustainable rate that will allow cannabis to realize its promise of creating new jobs, launching social equity businesses, and revitalizing retail corridors.

Thank you.

Sincerely,

Johnny Delaplane
President, San Francisco Cannabis Retailers Alliance
SFCRA.org





Good morning Supervisors, Staff, and Office of Cannabis:

On behalf of the membership of the San Francisco Cannabis Retailers Alliance, a trade organization representing many legacy and social equity cannabis retail operators in San Francisco, we are writing today to support Supervisor Mandelman's legislation to delay the implementation of Proposition D, the increase in the gross receipts tax rate for cannabis businesses. This delay will allow the Board to carefully consider and permanently set a sustainable gross receipts tax rate for the cannabis industry in the future.

If Proposition D goes into effect on January 1st, 2022, cannabis retail entities will face a gross receipts tax increase from approximately 0.1% to 5.0%, a 50-fold increase. No other business in San Francisco pays such a high tax rate. The highest rate paid by any type of business is currently no higher than 0.5%.

The City should not abandon its goals of job creation and social justice in favor of tax revenue. The social equity program, while slow out of the gate, is finally starting to gain steam, with new businesses opening every month. But these nascent businesses need time to ramp up. Please, let the local industry stabilize before deciding on a permanent tax rate.

Our industry, after a covid-fueled boom in 2020, is having the worst year on record since the passage of Proposition 64. Wholesale prices have plummeted, disrupting the entire supply chain and leading to many business closures. Retail revenues are down 30% across the board from this same time last year.

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Please support the delay in the Prop D cannabis tax implementation so we can work together on determining a sustainable rate that will allow cannabis to realize its promise of creating new jobs, launching social equity businesses, and revitalizing retail corridors.

Thank you.

Sincerely,

Johnny Delaplane
President, San Francisco Cannabis Retailers Alliance
SFCRA.org

From: [Ryan McGilley](#)
To: [Haney, Matt \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Mar, Gordon \(BOS\)](#); [Barnett, Monica \(BOS\)](#); [Jones, Ernest \(BOS\)](#); li.miao.lovett@sfgov.org; [Jalipa, Brent \(BOS\)](#)
Cc: [Jim Araby](#); [Mandelman, Rafael \(BOS\)](#); [Temprano, Tom \(BOS\)](#)
Subject: UFCW 5 Support for Temporary Suspension of Cannabis Business Tax
Date: Tuesday, November 16, 2021 12:34:52 PM
Attachments: [SF Supervisors 11.16.21.pdf](#)

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Hello Member of the Budget & Finance Committee,

We at UFCW Local 5 would like to share a letter expressing our support for Supervisor Mandelman's Ordinance amending the Business and Tax Regulations Code to suspend the imposition of the Cannabis Business Tax through December 31, 2022.

Ryan McGilley 麥偉文
Organizer
UFCW 5
(415)867-7549

John Nunes
President

Jack Landes
Secretary - Treasurer

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United Food & Commercial Workers Union, Local 5
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(415) 693 0143
Fax: (415) 675 7645

85 Galli Drive, Suite H
Novato, CA 94949 5716
(415) 883 6833
Fax: (415) 883 1043

840 E Street, Suite 8
Eureka, CA 95501 6804
(707) 442 1751
Fax: (707) 442 9572

Dear Supervisors,

On behalf of United Food and Commercial Workers Local 5, representing 30,000 workers in the Bay Area, including workers in San Francisco's cannabis industry, we are writing in support of Board of Supervisors File # 21150 - Ordinance amending the Business and Tax Regulations Code to suspend the imposition of the Cannabis Business Tax through December 31, 2022.

The UFCW has helped lead the development and stabilization of the emerging cannabis sector through our Cannabis Workers Rising campaign since 2010. Local 5 was in the forefront of this movement, organizing the first unionized dispensaries nearly ten years ago. Our union now represents tens of thousands of cannabis workers across multiple states. The UFCW Local 5 cannabis members include workers in dispensaries, growing and cultivating facilities, manufacturing and processing facilities and laboratories. Proposition 64, which legalized adult use cannabis in California, established a 15% retail excise tax as well as a cultivation tax at the State level. The California Legislative Analyst's Office found that high State taxes on cannabis contribute to the ongoing prevalence of the illegal market. UFCW is working to reduce taxes at the state level so that we do not continue to fuel a illicit market which undermines our adult use industry and the good union jobs we are creating. The imposition of an additional local gross receipts tax in San Francisco while State taxes remain high runs the risk of further undermining our local legal market and the jobs that it creates.

UFCW Local 5 believes that approving this ordinance will help provide additional stability for workers in the emerging Cannabis industry in San Francisco and we urge the Board to vote to approve the ordinance.

Sincerely,



James Araby
Director of Strategic Campaigns
United Food & Commercial Workers Union Local 5

From: [Ali Jamalian](#)
To: [Mar, Gordon \(BOS\)](#); [Quan, Daisy \(BOS\)](#); [Lovett, Li \(BOS\)](#); [Wright, Edward \(BOS\)](#); [Wong, Alan \(BOS\)](#)
Cc: [Jalipa, Brent \(BOS\)](#)
Subject: File # 211150 Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax
Date: Tuesday, November 16, 2021 12:40:57 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hello Supervisor Mar and staff,

I am reaching out to voice my strong support for Supervisor Mandelman's proposed legislation - File # 211150 [Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax].

I urge you to continue the suspension of the cannabis gross receipt tax per Supervisor Mandelman's legislation, as this industry is not mature enough to sustain any additional tax burdens in addition to the incredibly high state taxes.

The cannabis industry is not only in its infancy, but also extremely capital-intensive for start-ups, leaving little room for our newly minted Social Equity Operators and legacy operators to pay a gross receipt tax.

Due to federal tax code 280e, cannabis businesses do not enjoy any significant tax deductions. As a result, the gross receipt tax burden would affect our industry disproportionately, to say the least.

As a budding Social Equity operator and the Chairman of the San Francisco Cannabis Oversight Committee, I urge you to support this legislation as it will help us to continue building a solid foundation for a strong, all-inclusive cannabis industry here in San Francisco.

Best regards,

Ali Jamalian

--

Ali Jamalian

President/Owner

Kiffen LLC

A verified equity operator

570 Bryant Street

SF, CA 94107

415.900.6868

From: [Ali Jamalian](#)
To: [Safai, Ahsha \(BOS\)](#); [Morris, Geoffrea \(BOS\)](#); [Chung, Lauren \(BOS\)](#); [Jones, Ernest \(BOS\)](#); [Berenson, Samuel \(BOS\)](#); [Jalipa, Brent \(BOS\)](#)
Subject: File # 211150 [Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax]
Date: Tuesday, November 16, 2021 12:42:39 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hello Supervisor Safai and staff,

I am reaching out to voice my strong support for Supervisor Mandelman's proposed legislation - File # 211150 [Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax].

I urge you to continue the suspension of the cannabis gross receipt tax per Supervisor Mandelman's legislation, as this industry is not mature enough to sustain any additional tax burdens in addition to the incredibly high state taxes.

The cannabis industry is not only in its infancy but also extremely capital-intense for start-ups, leaving little room for our newly minted Social Equity Operators and legacy operators to pay a gross receipt tax.

Due to federal tax code 280e, cannabis businesses do not enjoy any significant tax deductions. As a result, the gross receipt tax burden would affect our industry disproportionately, to say the least.

As a budding Social Equity operator and the Chairman of the San Francisco Cannabis Oversight Committee, I urge you to support this legislation as it will help us to continue building a solid foundation for a strong, all-inclusive cannabis industry here in San Francisco.

Best regards,

--

Ali Jamalian

President/Owner

Kiffen LLC dba sunset connect

A verified social equity operator

570 Bryant Street

SF, CA 94107

415.900.6868

From: [Ali Jamalian](#)
To: [Haney, Matt \(BOS\)](#); [RivamonteMesa, Abigail \(BOS\)](#); [Zou, Han \(BOS\)](#); [Mahogany, Honey \(BOS\)](#); [Barnett, Monica \(BOS\)](#)
Cc: [Jalipa, Brent \(BOS\)](#)
Subject: File # 211150 [Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax]
Date: Tuesday, November 16, 2021 12:44:37 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hello Supervisor Haney and staff,

I am reaching out to voice my strong support for Supervisor Mandelman's proposed legislation - File # 211150 [Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax].

I urge you to continue the suspension of the cannabis gross receipt tax per Supervisor Mandelman's legislation, as this industry is not mature enough to sustain any additional tax burdens in addition to the incredibly high state taxes.

The cannabis industry is not only in its infancy but also extremely capital-intense for start-ups, leaving little room for our newly minted Social Equity Operators and legacy operators to pay a gross receipt tax.

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As a budding Social Equity operator and the Chairman of the San Francisco Cannabis Oversight Committee, I urge you to support this legislation as it will help us to continue building a solid foundation for a strong, all-inclusive cannabis industry here in San Francisco.

Best regards,

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Ali Jamalian

President/Owner

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415.900.6868