

Cannabis Industry Reps Warn Against Higher Taxes For Road Funding

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Creating a wholesale tax on marijuana to help fund the roads, as Gov. <u>Gretchen</u> <u>WHITMER</u> is proposing, could jack up the price of pot to the point where users will hit the black market again, advocates told a House subcommittee today.

Whitmer's MI Road Ahead Plan, introduced earlier this year, includes roping the cannabis industry into wholesale tax, which would add an estimated \$470 million to the road funding plan. Rep. <u>Donavan MCKINNEY (D-Detroit)</u> said the idea of changing how the cannabis industry is taxed to contribute to road funding is under discussion, although he said he is not privy to where the idea currently stands.

Bangor Township Supervisor Glenn **ROWLEY** urged the committee to oppose any new taxes or fees on the marijuana industry.

"Strangling the goose that lays the golden eggs is a terrible idea, and I advise you not to traverse down that path," Rowley said.

Denise **POLLICELLA**, managing partner at Cannabis Attorneys of Michigan, also testified before the committee. She said heavily regulating and taxing the cannabis industry leaves it with "no safety net" because of the lack of bankruptcy protection for marijuana retailers because of its federally illegal status.

She said there is currently no incentive for marijuana retailers to obtain a license and act in a compliant manner. She said this is causing illegal marijuana that is "untested and unsafe in every way" to continue to make its way into Michigan's marijuana market. Contributing to the problem is an overall lack of enforcement on these unlicensed dealers.

Tyler **WEJROWSKI**, owner of the licensed marijuana retailer Wojo, and the company's compliance manager, John **WEGENER**, also expressed concern over how an increase in taxes would "absolutely decimate the industry."

"Please know this is not like a Cheech and Chong movie. These are business professionals," Rowley said.

A full transcript of the meeting is available here for MIRS subscribers.