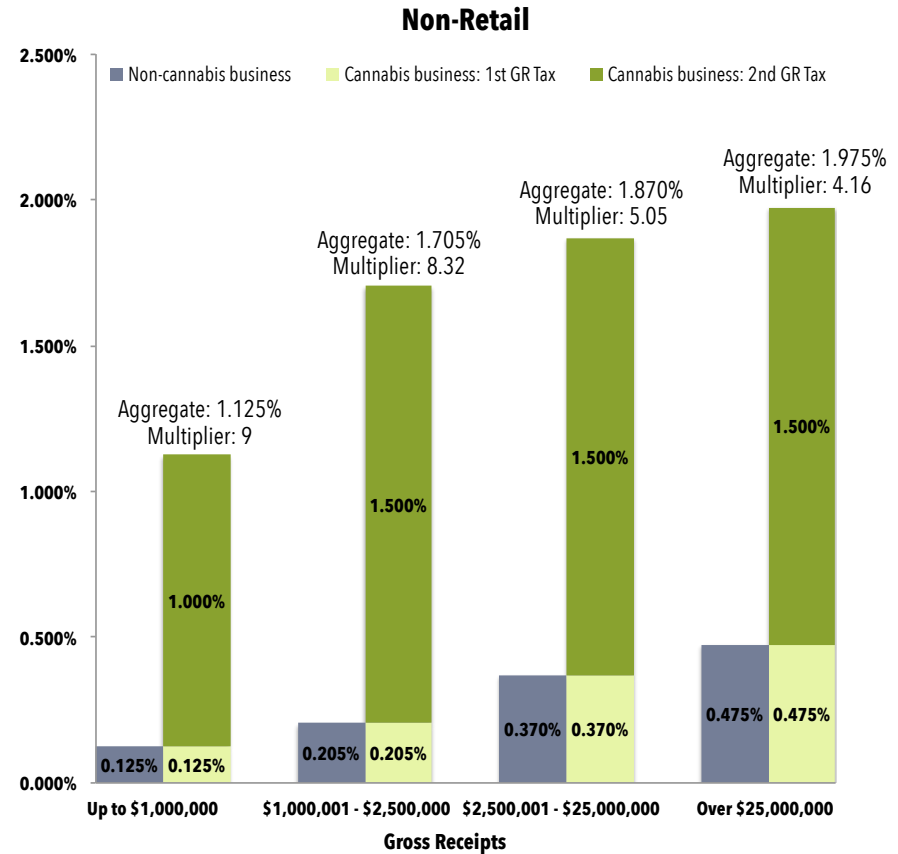
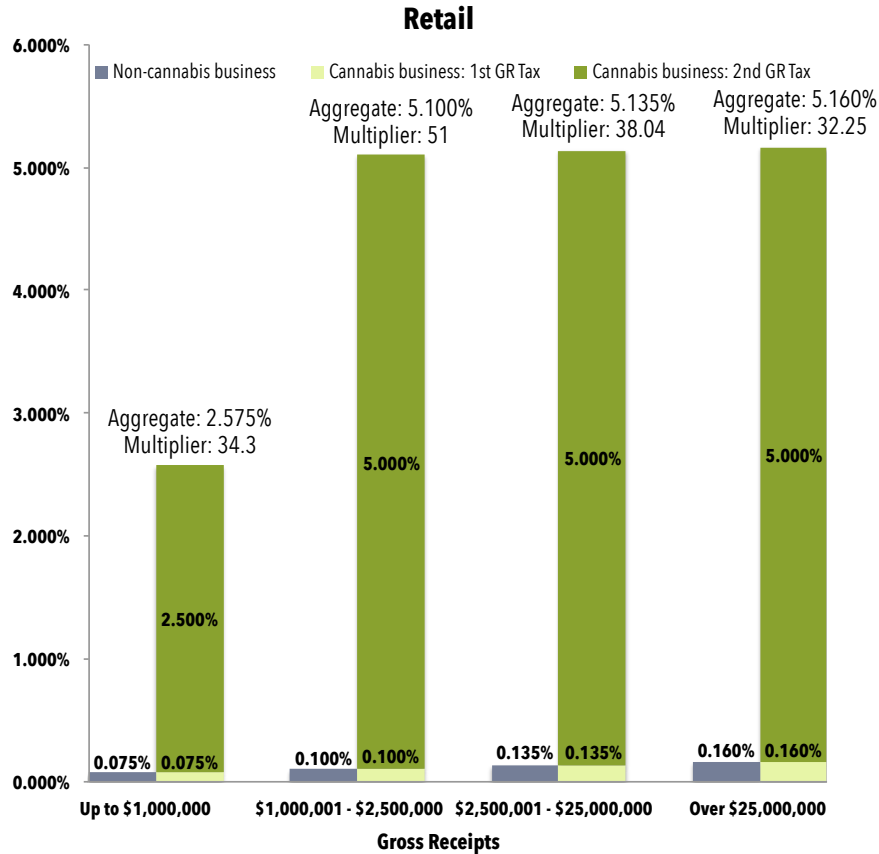


# Proposition D - 2nd Gross Receipts Tax for Licensed Cannabis Businesses

Comparison of tax rates imposed upon cannabis vs. other businesses, by gross receipts bracket

General Business Local Tax Obligation: 1) General GR Tax

Licensed Cannabis Business Local Tax Obligation: 1) General GR Tax; 2) Additional Industry-Specific Tax

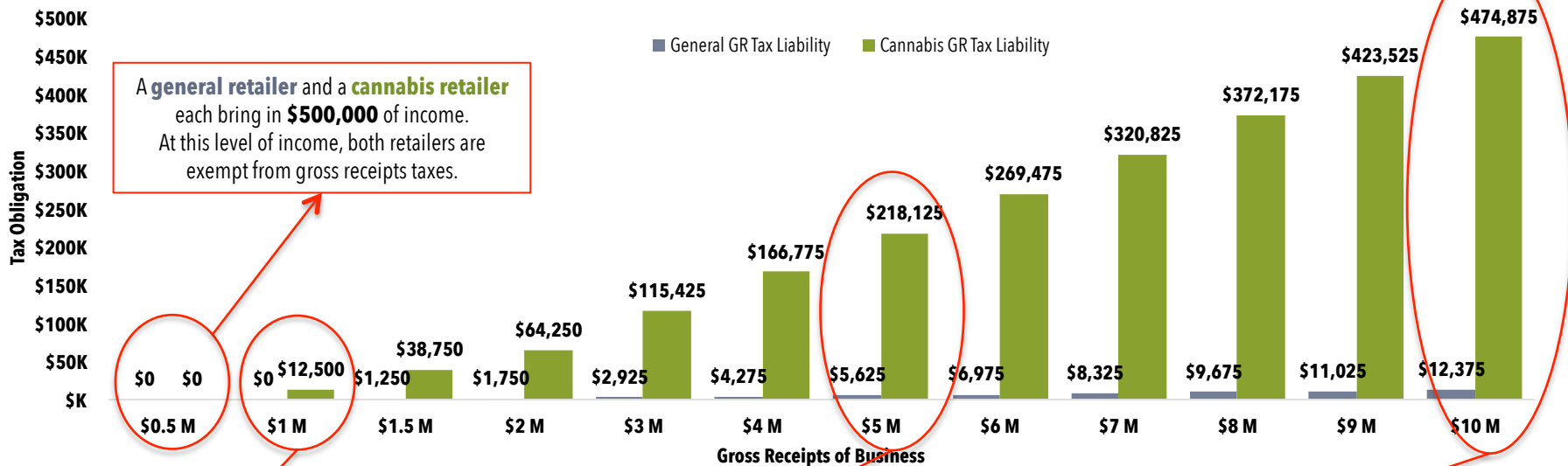


Notes:  
 The graphs above reflect local gross receipts tax rates only. Excise, cultivation, income, and sales taxes are excluded. Tax exemptions are not taken into account. The tax rates do not apply to unlicensed cannabis businesses.  
 Prepared by Menka Mahajan (email: [info@mahajanconsulting.com](mailto:info@mahajanconsulting.com)).

# Proposition D - 2nd Gross Receipts Tax for Licensed Cannabis Businesses

## Tax Obligation for Cannabis vs. Other Businesses with Identical Gross Receipts

### General Retail Business vs. Cannabis Retail Business: Tax Obligation by GR, \$500k to \$10M



A **general retailer** and a **cannabis retailer** each bring in **\$500,000** of income. At this level of income, both retailers are exempt from gross receipts taxes.

A **general retailer** and a **cannabis retailer** each bring in **\$1 million** of income.

- Tax paid by general retailer: \$0
- Tax paid by cannabis retailer: \$12,500

The \$1M general GR exemption applies to both. The cannabis GR exemption ends at \$500k. The cannabis retailer's local GR tax would be **\$12,500 higher** than that of the general retailer.

A **general retailer** and a **cannabis retailer** each bring in **\$5 million** of income.

- Tax paid by general retailer: \$5,625
- Tax paid by cannabis retailer: \$218,125

The cannabis retailer's local GR tax would be **\$212,500 higher** than that of the general retailer.

A **general retailer** and a **cannabis retailer** each bring in **\$10 million** of income.

- Tax paid by the general retailer: \$12,375
- Tax paid by the cannabis retailer: \$474,875

The cannabis retailer's local GR tax would be **\$462,500 higher** than that of the general retailer.

**Notes:**

Gross receipts = "The total amounts the organization received from all sources during its annual accounting period, without subtracting any costs or expenses." (IRS definition)

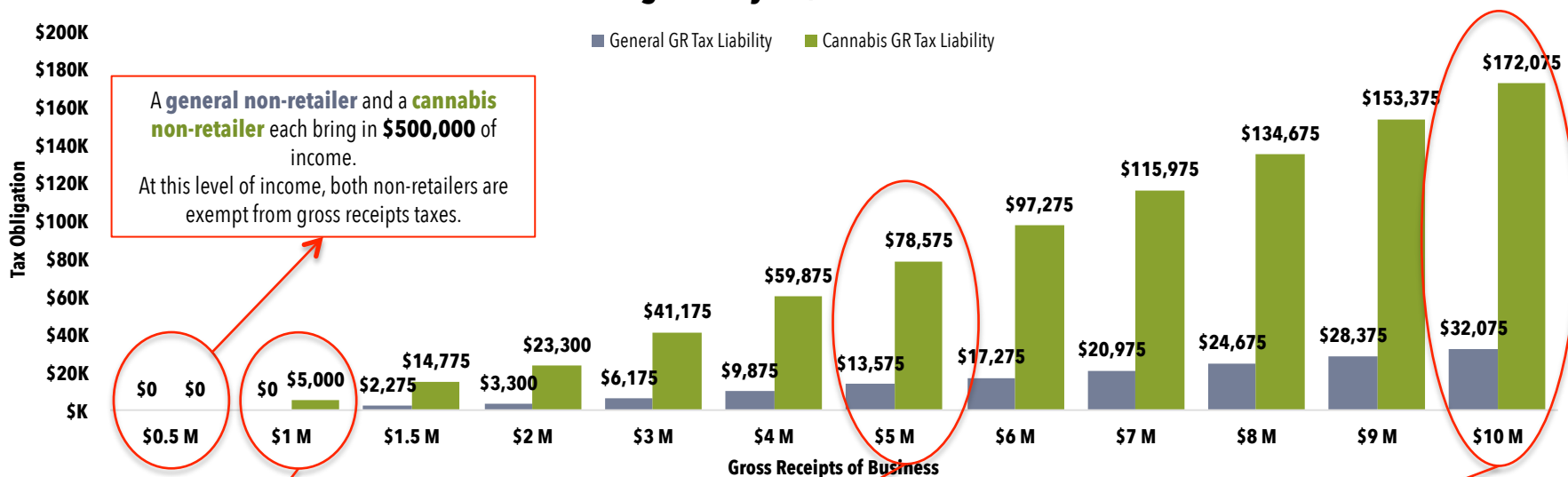
The graphs above reflects local gross receipts tax rates only. Excise, cultivation, income, and sales taxes are excluded. Tax exemptions have been taken into account. The tax rates do not apply to unlicensed cannabis businesses.

Prepared by Menaka Mahajan (email: [info@mahajanconsulting.com](mailto:info@mahajanconsulting.com)).

# Proposition D - 2nd Gross Receipts Tax for Licensed Cannabis Businesses

## Tax Obligation for Cannabis vs. Other Businesses with Identical Gross Receipts

### General Non-Retail Business vs. Cannabis Non-Retail Business: Tax Obligation by GR, \$500k to \$10M



A **general non-retailer** and a **cannabis non-retailer** each bring in **\$500,000** of income. At this level of income, both non-retailers are exempt from gross receipts taxes.

A **general non-retailer** and a **cannabis non-retailer** each bring in **\$1 million** of income.

- Tax paid by general non-retailer: \$0
- Tax paid by cannabis non-retailer: \$5,000

The \$1M general GR exemption applies to both. The cannabis GR exemption ends at \$500k. The cannabis non-retailer's local GR tax would be **\$5,000 higher** than that of the general non-retailer.

A **general non-retailer** and a **cannabis non-retailer** each bring in **\$5 million** of income.

- Tax paid by general non-retailer: \$13,575
- Tax paid by cannabis non-retailer: \$78,575

The cannabis non-retailer's local GR tax would be **\$65,000 higher** than that of the general non-retailer.

A **general non-retailer** and a **cannabis non-retailer** each bring in **\$10 million** of income.

- Tax paid by the general non-retailer: \$32,075
- Tax paid by the cannabis non-retailer: \$172,075

The cannabis non-retailer's local GR tax would be **\$140,000 higher** than that of the general non-retailer.

Notes:  
 Gross receipts = "The total amounts the organization received from all sources during its annual accounting period, without subtracting any costs or expenses." (IRS definition)  
 The graphs above reflects local gross receipts tax rates only. Excise, cultivation, income, and sales taxes are excluded. Tax exemptions have been taken into account. The tax rates do not apply to unlicensed cannabis businesses.  
 Prepared by Menaka Mahajan (email: [info@mahajanconsulting.com](mailto:info@mahajanconsulting.com)).