

May 26, 2022

San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, CA 94102

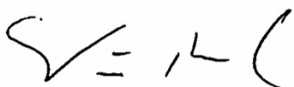
Dear Board of Supervisors:

As a follow-up to our letter submitted on May 19, 2022, **The Green Cross**, along with the support of the **Brownie Mary Democratic Club** and **San Francisco Cannabis Retailers Alliance**, has assembled the following list of recommendations to further assist the San Francisco cannabis community:

- Moratorium on new applications for cannabis retail licenses in San Francisco until all pending applications have been reviewed or abandoned.
- Keep the total gross receipts tax on cannabis businesses the same as other businesses, by permanently suspending the local Cannabis Business Tax (Prop D, 2018).
- IRS Tax Code 280E rebate on the local level for all cannabis businesses. 280E states, "no deduction or credit shall be allowed in running a business that consists of trafficking a controlled substance." Federally, cannabis is still a Schedule 1 controlled substance. This dated code causes cannabis businesses unnecessary fiscal and operational stress. Legally licensed cannabis retailers are currently required to pay taxes on *all* businesses expenses. San Francisco should pay each cannabis business a portion of its 280E tax loss, up to the amount that the business paid the City in sales tax and gross receipts tax.
- Alternative banking solutions for San Francisco cannabis businesses to eliminate security and public safety risks as a result of operating as cash-only businesses.
- Relief for COVID-related illnesses for businesses with 25-49 employees.
- Waive the Medical Marijuana Identification Card (MMIC) fee for indigent patients.

If you have any questions or concerns, please don't hesitate to contact me directly at (415) 846-7671 or [KevinReed@TheGreenCross.org](mailto:KevinReed@TheGreenCross.org).

Sincerely,



Kevin Reed  
Founder & President  
The Green Cross