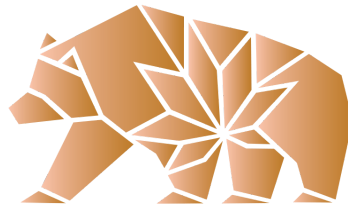


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CCIA Response to CDTFA Tax Increase

Tax Increase Leaves CCIA Membership Stunned and Outraged

Sacramento, CA-Today's announcement by the California Department of Tax and Fee Administration to increase tax rates on the cannabis industry has left the membership of the California Cannabis Industry Association stunned and outraged.

As California's regulated market spirals towards collapse from taxes on cannabis consumers, local bans, onerous regulations, slow growth, and a thriving illicit market, we believe that the CDTFA's decision to increase tax burdens on compliant cannabis operators is counter to developing a safe industry. Widening the price disparity gap between illicit and regulated products will further drive consumers to the illicit market at a time when illicit products are demonstrably putting people's lives at risk.

We encourage the Administration and the Legislature to reconsider this decision and to partner with the industry on comprehensive policies that allow the regulated cannabis market to survive under these dire circumstances.

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