



## MEMORANDUM

<b>TO:</b>	Cannabis Regulatory Commission	<b>FROM:</b>	Rogers Agaba Interim Revenue & Tax Administrator
<b>SUBJECT:</b>	Cannabis Business Tax	<b>DATE:</b>	November 2, 2020

### INFORMATION

At the October 1, 2020 Cannabis Regulatory Commission (“CRC”) Meeting, the CRC requested that the Revenue Management Bureau provide follow-up answers to questions and recommendations related to the tax rates and the tax rebate program.

Accordingly, below are questions(Q), recommendations (R), and answers(A).

#### **Tax Rates:**

**Q. What were the combined total gross receipts from all cannabis businesses for 2019 and 2020 tax years?**

- A. 2019: \$165,351 million from 195 businesses  
2020: \$167,494 million from 252 businesses

**Q. What would be the total amount of revenue if the tax rates for 2019 were maintained for 2020?**

- A. The City would have collected approximately \$15.51 million in Revenues with the old tax rates, as opposed to \$8.89 million that is owed under the new tax rates for 2020.

#### **Tax Rebate Program:**

**Q. What is involved in getting a tax rebate?**

- A. Submit the application and supporting documentation. The information and application, including required documentation, are available at <https://www.oaklandca.gov/services/request-a-cannabis-tax-refund>.

**Q. How is the program marketed?**

- A. Detailed information regarding the 2020 Cannabis Business Tax Program was included in the tax renewal notice sent to each business on January 3, 2020. The Special Activity Permits Division sent out an email to its cannabis businesses in October 2020 reminding operators about the program and has updated its website to include information on the Equity Tax Rebate Program.

**Q. What is the plan for outreach?**

- A. Detailed information will once again be included in the upcoming 2021 tax renewal notice to be sent out to each business in early 2021. Additionally, the Special Activity Permits Division will continue to remind cannabis operators about the Equity Tax Rebate Program.

**R. Ask businesses why they have not yet applied.**

- A. The Special Activity Permits Division will send a survey to cannabis operators to understand why they have not yet applied in the first Quarter of 2021 if not sooner.

**Q. How many rebate conditions are there?**

- A. The 2020 Cannabis Tax Rebate Program has nine rebate conditions. Six out of nine rebate conditions have the qualifying period of one year to mature, meaning cannabis businesses must meet the required conditions for an entire year (2020) in order to qualify.

For questions, please contact Rogers Agaba, Interim Revenue & Tax Administrator, at (510) 238-7009.

Respectfully Submitted,

*Rogers K. Agaba*

Rogers Agaba  
Interim Revenue & Tax Administrator