



House Bill 351 -- *Income Tax - Subtraction Modification - Expenses of Medical Cannabis Grower, Processor, Dispensary, or Independent Testing Laboratory*
House Ways and Means Committee
February 2, 2022
Support

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 9 – *Income Tax - Subtraction Modification - Expenses of Medical Cannabis Grower, Processor, Dispensary, or Independent Testing Laboratory*.

House Bill 351 creates a subtraction modification against the State individual and corporate income tax for the amount of ordinary and necessary expenses paid or incurred during the taxable year for a licensed medical cannabis grower, processor, or dispensary if the deduction is disallowed in the Internal Revenue Code.

The passage of IRS tax provision 280E is nearly three decades old and does not reflect the current policy and landscape, specifically that Maryland established a legal medical cannabis program in 2013. A result of this provision is the inability for medical cannabis licensees to write off normal and usual business expenses on their taxes, a practice that is afforded to all other businesses in the State of Maryland.

For these reasons, the Montgomery County Chamber of Commerce supports House Bill 351 and respectfully requests a favorable report.

The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

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