

# Cannabis Tax Burden: Exploring Relief Through Federal Restriction Easing

The federal tax code presents a significant challenge for legal cannabis businesses, hindering their ability to thrive and succeed in a burgeoning industry. This issue is exemplified by the experience of Payton Shubrick, who left her job in financial services to enter the cannabis market, seeking both opportunity and a chance to address social justice concerns related to drug enforcement.

## The Tax Burden on Legal Cannabis Businesses

Despite the promise of the cannabis industry, businesses like Shubrick's family-run dispensary, 6 Brick's, face substantial hurdles due to the tax implications imposed by the federal government. These tax regulations, originally designed for illicit businesses, apply to legal cannabis enterprises, creating unexpected financial burdens.

## Impact on Profitability and Growth

The taxes imposed under the federal tax code significantly impede the profitability and growth potential of legal cannabis businesses. For Shubrick and others in the industry, these taxes make it challenging to generate profits, expand operations, or provide competitive wages to employees. As a result, many businesses struggle to stay afloat despite operating within the bounds of state law.

## Need for Reform to Support Small Businesses

The burden of federal taxes disproportionately affects smaller, independent cannabis businesses that lack the resources to navigate complex tax regulations. Reforming the federal tax code could provide much-needed relief to these businesses, allowing them to compete more effectively in the market and contribute positively to their communities.

## Urgent Need for Change

The challenges posed by the federal tax code underscore the urgent need for reform to support the legal cannabis industry, particularly smaller businesses like 6 Brick's. By addressing the tax burden imposed on legal cannabis businesses, policymakers have the opportunity to foster a more equitable and sustainable industry that benefits both entrepreneurs and communities alike.

## Unexpected Tax Hurdles in the Cannabis Industry

The federal tax code presents significant challenges for legal cannabis businesses, imposing unexpected financial burdens and hindering their ability to thrive in a burgeoning industry.

## **The Story of Payton Shubrick: Navigating Tax Obstacles**

Payton Shubrick's journey from financial services to the cannabis industry highlights the impact of federal tax regulations on small businesses like her family-run dispensary, 6 Brick's.

## **The Burden of Federal Taxation on Cannabis Enterprises**

Taxes designed for illicit businesses now apply to legal cannabis operations, creating profitability and growth challenges for entrepreneurs operating within state laws.

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