



AMERICANS for TAX REFORM

March 30, 2017

The Honorable Carlos Curbelo
United States House of Representatives
1404 Longworth House Office Building
Washington, D.C. 20515

The Honorable Earl Blumenauer
United States House of Representatives
1111 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Curbelo and Congressman Blumenauer,

I write in support of H.R. 1810, the Small Business Tax Equity Act of 2017, legislation which allows legal marijuana dispensaries to take common necessary business deductions under the tax code.

Under 280E of the tax code, marijuana businesses that are operating legally under state law in 28 states, D.C., and Guam are not allowed to deduct necessary business expenses like wages, equipment, and rent from taxable income.

This law was originally created in 1982 to stop drug dealers from taking tax credits and deductions. Today, it is hitting legal businesses across the country resulting in federal income tax rates close to 90 percent.

The Small Business Tax Equity Act addresses this with a simple and commonsense change – amending federal law so that Section 280E does not apply to legal businesses.

The fact is, marijuana businesses that are operating legally should be entitled to the same deductions and credits under the tax code as any other business. **Passage of the Small Business Tax Equity Act will remove the arbitrary and punitive measures of the tax code that treat legal marijuana businesses as illegal.** All members of Congress should have no hesitation supporting and co-sponsoring this important legislation.

Onward,

Grover G. Norquist
President, Americans for Tax Reform

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