

Leslie Letkowski
South Portland
LD 1942

Testimony of Leslie Letkowski
Bookkeeper, Dreamscape Farms SP, LLC
To the Joint Standing Committee on Taxation
Re: Reforming the Cannabis Excise Tax (LD 1942)

Senator Grohoski, Representative Cloutier, and Members of the Committee,

My name is Leslie Letkowski, and I serve as the bookkeeper for Dreamscape Farms SP, LLC, a licensed adult-use cannabis cultivation business based in Maine. As someone deeply involved in the day-to-day financial operations of this company, I want to express my strong concern about the current cannabis excise tax and my support for LD 1942.

When I began doing the books for Dreamscape Farms, I was immediately taken aback by the scale of the excise tax. The flat \$335-per-pound tax, when compared to the actual sales price of cannabis in today's market, is staggering. It quickly became clear to me that this tax consumes a disproportionate share of revenue—far beyond what would be considered reasonable or sustainable for any business.

Having both a professional and personal relationship with the owner, I became very concerned. It was hard to imagine how any cultivator—no matter how lean or efficient—could turn a consistent profit under such a heavy tax burden. In the months since, my perspective hasn't changed. If anything, it has become more urgent.

We maintain extremely tight financial controls. The business does not carry unnecessary overhead. The owner does not take a salary. And still, we are operating at break-even or worse, month after month. The excise tax eats up virtually all of the available margin. There's no room for reinvestment, no room to grow, and no cushion to withstand downturns. As a bookkeeper, I can tell you with confidence: the math simply does not work.

This issue is not unique to Dreamscape Farms. I worry deeply about the broader landscape for cultivators in Maine. Without reform, many of these businesses—especially small and independently owned ones—will not be able to survive. The current excise tax structure creates a situation where the financials are stacked against compliance and sustainability.

I respectfully urge the Committee to support LD 1942 and consider the following adjustments:

- Replace the flat per-pound excise tax with a true percentage-based model that reflects actual wholesale prices—restoring the original intent of a 10% tax.
- Eliminate excise tax on internal transfers between licenses under common ownership, which are standard business practices and should not be penalized.
- Allow a deferral period for excise tax payments to give businesses a more realistic timeline for managing cash flow.

These are necessary changes to help ensure that the legal cannabis industry in Maine can survive and thrive. Without them, I fear we will continue to see businesses falter—not because they are poorly run, but because the tax structure makes profitability nearly impossible.

Thank you for the opportunity to share my perspective. I am happy to answer any questions you may have.

Sincerely,
Leslie Letkowski
Bookkeeper, Dreamscape Farms SP, LLC