

Philip A Hendricks
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LD 1960

My name is Philip A Hendricks, former co-owner of Gerrick Enterprises

I entered the Industrial Hemp/CBD market in 2016, first selling CBD pre-filled vape pens that now, as of 2020 are considered a tobacco product. I soon gave up my disability with the state of Maine retirement system in favor of working. The CBD vape pens helped me function and I find it counterintuitive and illogical to think legal industrial hemp vape products can be considered tobacco. I still struggle with the Lyme disease that destroyed my teaching career, coaching career and our personal finances. Because of a resurgence of my sickness, combined with a sales tax audit that includes tobacco taxes on hemp based vape products we have closed our company effective last August. We are being asked to pay around \$37,000 that we simply do not have.

In our eight years in business we followed the rules and were always above board with the state of Maine and all state agencies.

Concerning An Act to Exempt Electronic Smoking Devices or Other Tobacco Products Containing Ingestible Hemp from the Tax Imposed on Tobacco Products:

I have some questions concerning the enactment and enforcement of this legislation, including the collection of the taxes from January 2020 to whenever/ if this legislation is passed and enacted.

1. Given the lack of a date when this goes into effect, am I to assume that if this passes, those very very few of us who paid or have been been audited, assessed and asked to pay back taxes dating back to January of 2020 are still liable for the tobacco taxes due on hemp based vape products?
2. Has there been an investigation to determine how much money the state has collected on hemp based vape products taxed as tobacco; how many companies have paid or been audited and asked to pay tobacco taxes on hemp based vape products? How much money has been collected on vape hemp based vape products taxed as tobacco? (I know the state is concerned about refunding taxes) My own investigation has found that extremely few distributors, dispensaries, vape shops, retail convenience stores, grocery stores, natural food stores, etc. have been aware of the tax and paid it or have been audited and paid the tax. I know of 3, including myself.
3. As I have been told by my Senator that it was not the "intent" of the tobacco tax to include hemp based vape products, and so many are not aware of the tax, including major distributors, store owners and all dispensary owners I have spoken to, is the state prepared to collect back tobacco taxes on hemp based vape products, or are the few of us who have paid or have been audited the only ones who must pay the tax. dating back to January 2020 if this bill passes?
4. If the state decides to collect these back taxes from all the types of businesses I have mentioned and if this legislation is not retroactive to January of 2020, I predict a firestorm of grievances and potential lawsuits from those who will be audited and assessed in the future. If the state decides not to collect these back taxes, is it fair to us extreme few who have paid or have been audited and demanded to pay? Are we looking at selective enforcement?

Thank you so much for your time and effort,
Philip A Hendricks
Formerly of Gerrick Enterprises