

Kimber Duncan
Lisbon Falls
LD 1831

Good Morning Senator, Hickman, Representative Supica, and distinguished members of the joint committee on Veteran and Legal Affairs. My name is Kimber Duncan and I live in Lisbon Falls. I am the general manager of a small cultivator that entered into adult-use in 2020 and is no longer in adult-use as of October 2024.

I strongly SUPPORT this bill. I think the barrier to entry in adult-use is much higher than med. It makes sense that this license should not pay the excise taxes the other licenses pay. I think those taxes are too much and it ruined the ability for the company I work for to stay in adult use. The biggest contributing factor to us leaving the adult-use market was the excise taxes.

A couple items to note about these excise taxes and the burden they pose on small licenses -

Cannabis excise tax needs to be paid on the 15th for the previous month's sales. So if I sell product on the 31st and it is billed as Net 30, I have not received that money yet but I need to pay the excise taxes on the order. If I don't I will incur penalties and interest will accrue on this tax bill making the bill larger.

If a business is not caught up with excise taxes and/or they are not on a payment plan with MRS, it affects their ability to renew their adult-use license.

MRS is not willing to work with companies beyond putting them on a no-wiggle-room payment plan. The requirements of a payment plan with MRS are that it not be more than 12 months in duration, and the company must pay all future excise tax bills on time in order to stay on the plan. e.g. if my plan covers Jan-March, I need to pay April and May on time while also paying off Jan-March to stay in good standing. When we couldn't pay one of these upcoming bills in full but needed to stay on the plan, we proactively called MRS for help. We literally didn't have the money in the account to do both taxes and payroll as they both came out on the same day and a check we were waiting for hadn't come in on time, so we asked what to do and how they could help us stay in good standing - if we could slide the due date a few days or something. They suggested not paying payroll this round in order to pay our tax bill and had nothing more to offer for suggestions or sympathy.

I request that you to vote in SUPPORT of this bill LD-1831- An Act to Support Small Adult Use Cannabis Businesses by Establishing a Micro Cannabis Facility License.

Thank you for your time reading this testimony.

Best regards,
Kimber Duncan