



**CALIFORNIA
GROWERS**
ASSOCIATION



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February 5, 2018

Assemblymember Rob Bonta
State Capitol, Room 2148
Sacramento, CA 95814

RE: AB 1741 (Bonta) Cannabis: taxation: electronic funds transfer – SUPPORT

Dear Assembly member Bonta:

On behalf of the California Growers Association (Cal Growers) I am writing to indicate our support for AB 1741.

As the cannabis industry transitions to regulation there are few challenges more complex and with greater impact than the challenges of accessing banks and financial services. Due to the continued designation of cannabis as a schedule 1 controlled substance many banks are unwilling to work with cannabis businesses. A recent survey of membership indicated that 76 percent of cannabis business owners do not have a bank account; the problem is slightly more acute for growers with 82 percent indicating that they did not have a proper bank account.

There is a broad assemblage of symptoms caused by this problem. One of them is the inability to make tax payments using Electronic Fund Transfer (EFT) as required by current state law. AB 1741 would authorize the California Department of Tax and Fee Administration (CDFTA) to allow a person engaged in commercial marijuana activity to remit tax liability due in a method other than an electronic funds transfer (EFT) if CDFTA deems it necessary to facilitate the collection of amounts due.

There is still a lot of work to do to address the challenges our members face due to their limited ability to obtain financial services, but AB 1741 is a common sense measure to ensure that limited access to banks does not prevent cannabis businesses from paying their tax liability without penalty.

We are pleased to offer our support for this legislation.

Sincerely,

Hezekiah D. Allen
Executive Director