

Tax Reform Fiscal Impact Projections

	2018	2019	2020	2021	TOTAL								
<b>Potential Revenue from Delinquent Taxes for Prior Years</b>	\$700,579	\$908,429	\$1,052,010	\$1,590,853	<b>\$4,251,871.00</b>								
<b>Potential Lost Revenue from Penalties and Interest for Prior Years</b>	-\$674,157	-\$790,906	-\$713,340	-\$813,286	<b>-\$2,991,689.00</b>								
<b>Net Fiscal Impact</b>	\$26,422	\$117,523	\$338,670	\$777,567	<b>\$1,260,182.00</b>								
<p>This table is based on an assumption that the \$1.5 mil est. cannabis business tax for FY 23-24 amounts to approximately 35% tax program compliance, and that \$4.15 mil is an appropriate estimate for 100% tax compliance. This is based on the following:</p> <p>If all 832 active AG_numbers paid an average of \$5k in taxes, the total would be \$4.16 mil. Not all AG_ numbers will have a \$5k min tax owed. Nurseries and farms smaller than 10k Sq Ft will have a lower minimum tax due. However, there are also operators with larger gross receipts paying more than the minimum tax. Therefore, while the appropriate estimated cannabis business tax at 100% tax compliance is unknown, \$4.15 mil is a reasonable estimate.</p>													
<b>Potential Increased Revenue with Greater Tax Compliance Due to Decrease in Tax Rate</b>													
	<b>No Change in rate of tax compliance Est. 35%</b>	<b>40% Compliance</b>	<b>45% Compliance</b>	<b>50% Compliance</b>	<b>55% Compliance</b>	<b>60% Compliance</b>	<b>65% Compliance</b>	<b>70% Compliance</b>	<b>75% Compliance</b>	<b>80% Compliance</b>	<b>85% Compliance</b>	<b>90% Compliance</b>	
<b>FY 2023-24</b>	\$1,500,000												
<b>50% Reduction</b>	\$750,000	\$857,143	\$964,286	\$1,071,429	\$1,178,571	\$1,285,714	\$1,392,857	\$1,500,000	\$1,607,143	\$1,714,286	\$1,821,428	\$1,928,571	