



**CALIFORNIA
CANNABIS
INDUSTRY
ASSOCIATION**

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**GOVERNOR BROWN SIGNS BILL TO WAIVE TAX PAYMENT PENALTIES FOR CANNABIS
BUSINESSES**

Sacramento, CA – A bill to automatically waive penalties for cannabis business that pay taxes in cash was signed by Governor Jerry Brown today.

Assembly Bill (AB) 1741 by Assemblymember Rob Bonta (D-Alameda) and co-sponsored by the California Cannabis Industry Association (CCIA) and State Board of Equalization Vice Chair Fiona Ma, will permit licensed commercial cannabis businesses, until January 1, 2022, to remit their tax payments to the California Department of Tax and Fee Administration (CDTFA) in cash without being charged the automatic 10 percent penalty levied on most other California businesses.

Because cannabis is still federally classified as a Schedule 1 substance, the industry has been rendered unbankable requiring cannabis businesses to hold large amounts of cash and necessitating that tax payments be made in cash. AB 1741 will aid in state's collection of tax payments by authorizing the CDTFA to accept cash tax payments in circumstances where a cannabis business lacks access to banking services.

"AB 1741 is important to our members because it no longer penalizes them for making tax payments in cash. Nearly all banks refuse to provide accounts to cannabis related businesses, forcing the industry to conduct all business, including tax payments, in cash. This is one step closer to creating pathways for the regulated cannabis industry to operate like any other businesses in the state", said Lindsay Robinson, CCIA Executive Director.

"CCIA would like to thank Governor Jerry Brown, Assemblymember Rob Bonta and State Board of Equalization Vice Chairwoman Fiona Ma for their leadership on this important issue," added Robinson.

AB 1741 included an urgency provision, which means it will take effect immediately.

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