

280E

Why is this important? Because not all businesses are treated the same. This dramatically affects all cannabis flower touching companies. Per the IRS, since cannabis is still a federally illegal Section I controlled substance, cultivators, processors and retailers in cannabis are not allowed to deduct ordinary business expenses. This results in high tax rates (averaging 70% or higher) for these cannabis companies. 280E compliance begins with proper Cost Accounting booking, adequate record keeping and accurate tax reporting. Lack of knowledge, skills and expertise in this area comes at a costly price for business owners.

The Courts continue to win in these cases and businesses continue to get heavily fined. There is no getting around 280E, there is only getting it right. We keep you compliant while lowering your 280E liabilities.

Additional Information on 280E:

<https://thecannabisindustry.org/uploads/2015-280E-White-Paper.pdf>

<https://www.treasury.gov/tigta/auditreports/2020reports/202030017fr.pdf>