



Taxpayers Association Supports Nonmedical Cannabis Business Tax and Chula Vista Sales Tax

SAN DIEGO (Sep. 28, 2016)---The San Diego County Taxpayers Association’s Board of Directors has voted to support Measure N, San Diego’s Nonmedical Cannabis Business Tax, and Measure P, the Chula Vista Sales Tax.

The board voted on Friday to support the tax increase on nonmedical cannabis proposed by Councilmember Mark Kersey with the following conditions: The City of San Diego should specify why they are taxing marijuana, devote more resources to prevention and enforcement, and commit to researching the most effective rate of taxation so as to minimize illegal and illegitimate activity in the industry. If the state measure for the legalization and taxation of recreational marijuana passes in November, the tax would raise money for the city’s General Fund, which pays for street repairs, public safety and other essential services.

“Taxes on a good such as marijuana that has social costs can be beneficial if more funds are to be used for regulation, prevention, or other forms of offsetting the externalities created by the legalization of marijuana,” the Association’s analysis concludes. “SDCTA supports Measure N on the condition that in the future, the City recognizes and specifies that recreational marijuana is different than other goods so that the tax does not appear arbitrary. Furthermore, the City should devote additional resources to law enforcement and prevention activities to try to offset — to the best of its ability — the costs brought about by legalization. Lastly, the City should commit to conducting research to determine the ideal tax rate on recreational marijuana so as to minimize illegitimate and illegal activity in the marijuana industry.”

Taxpayers Association President and CEO Haney Hong said: “The Association wants to ensure that if recreational cannabis is legalized at the state level, the City of San Diego will have revenue from sales to ensure that the City is protected from potential adverse effects from increased access and usage, including crime, road danger, and effects on youth. This is why SDCTA supports the measure on the conditions that the City commit more funds toward enforcing the laws around legalization and conducting research to determine the most effective tax rate.”

As for Chula Vista’s proposed 10-year sales tax, the Association heard arguments from both sides of the measure. It supports it because the City has made a number of improvements to its management and programs to implement efficiency and improve fiscal responsibility. The revenue raised from the sales tax could help fund the City’s most critical infrastructure needs, and the measure incorporates various methods to promote transparency and accountability on the part of the City’s leaders.

Hong said: “We applaud the City of Chula Vista’s in-depth analysis and evaluation of the condition of its infrastructure. We support the measure because it will allow the City to tackle its most pressing capital

improvement needs while including conditions that work toward holding the City Council accountable for using the revenue to fund these critical improvements.”

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The San Diego County Taxpayers Association (@sdcta) is a non-profit, non-partisan organization, dedicated to promoting accountable, cost-effective and efficient government and opposing unnecessary new taxes and fees. Founded in 1945, SDCTA has spent the past 70 years saving the region’s taxpayers millions of dollars, as well as generating information to help educate the public.