

EXHIBIT 5:
CULTIVATION TAX REVENUE ESTIMATES
COMPARISON OF CANOPY TAX VS. GROSS RECEIPTS TAX
BASED ON RECOMMENDED INTRODUCTORY AND MAXIMUM TAX RATES

Comparison of Tax Structures

Square footage taxes based on average canopy area (75%), not total permitted area.

Assumes productivity of 1 pound per 10 sf for outdoor and mixed light, 1.25 pounds per 10 sf for indoor

Assumes average value of \$800/lb for outdoor and mixed light, \$1,000 pound for indoor

Some outdoor cultivators are yielding 2 harvest cycles per year due to just-in-time delivery of ready-to-flower sub-adult plants. This is not reflected in this chart.

Initial tax rates of \$2, \$4 and \$7 per square foot												
Cultivation Type	Harvest Cycles /Year	Sample Area (sq ft)	Canopy @ 75%	Yield (lbs)	Value @ \$800/lb - \$1,000/lb	Tax Rate Per/sf	Total Annual Tax Paid	Tax Rate per sf per Cycle	Tax per Pound	Tax as Percent of Value	Number of Permits	Total Tax Revenue
Outdoors	1	43,560	32,670	3,267	\$2,613,600	\$2.00	\$65,340	\$2.00	\$20.00	2.50%	2	\$130,680
Mixed Light	3	22,000	16,500	4,950	\$3,960,000	\$4.00	\$66,000	\$1.33	\$13.33	1.67%	4	\$264,000
Indoors	4	22,000	16,500	8,250	\$8,250,000	\$7.00	\$115,500	\$1.75	\$14.00	1.40%	4	\$462,000
										1.86%	10	\$856,680
Maximum tax rates of \$4, \$7 and \$10 per square foot												
Cultivation Type	Harvest Cycles /Year	Sample Area (sq ft)	Canopy @ 75%	Yield (lbs)	Value @ \$800/lb - \$1,000/lb	Tax Rate Per/sf	Total Annual Tax Paid	Tax Rate per sf per Cycle	Tax per Pound	Tax as Percent of Value	Number of Permits	Total Tax Revenue
Outdoors	1	43,560	32,670	3,267	\$2,613,600	\$4.00	\$130,680	\$4.00	\$40.00	5.00%	2	\$261,360
Mixed Light	3	22,000	16,500	4,950	\$3,960,000	\$7.00	\$115,500	\$2.33	\$23.33	2.92%	4	\$462,000
Indoors	4	22,000	16,500	8,250	\$8,250,000	\$10.00	\$165,000	\$2.50	\$20.00	2.00%	4	\$660,000
										3.31%	10	\$1,383,360
Gross Receipts Tax of 2%												
Cultivation Type	Harvest Cycles /Year	Sample Area (sq ft)	Canopy @ 75%	Yield (lbs)	Value @ \$800/lb - \$1,000/lb	Tax per Square Foot	Total Annual Tax Paid	Tax Rate per sf per Cycle	Tax per Pound	Tax as Percent of Value	Number of Permits	Total Tax Revenue
Outdoors	1	43,560	32,670	3,267	\$2,613,600	\$1.60	\$52,272	\$1.60	\$16.00	2.00%	2	\$104,544
Mixed Light	3	22,000	16,500	4,950	\$3,960,000	\$4.80	\$79,200	\$1.60	\$16.00	2.00%	4	\$316,800
Indoors	4	22,000	16,500	8,250	\$8,250,000	\$10.00	\$165,000	\$2.50	\$20.00	2.00%	4	\$660,000
											10	\$1,081,344
Gross Receipts Tax of 3%												
Cultivation Type	Harvest Cycles /Year	Sample Area (sq ft)	Canopy @ 75%	Yield (lbs)	Value @ \$800/lb - \$1,000/lb	Tax per Square Foot	Total Annual Tax Paid	Tax Rate per sf per Cycle	Tax per Pound	Tax as Percent of Value	Number of Permits	Total Tax Revenue
Outdoors	1	43,560	32,670	3,267	\$2,613,600	\$2.40	\$78,408	\$2.40	\$24.00	3.00%	2	\$156,816
Mixed Light	3	22,000	16,500	4,950	\$3,960,000	\$7.20	\$118,800	\$2.40	\$24.00	3.00%	4	\$118,800
Indoors	4	22,000	16,500	8,250	\$8,250,000	\$15.00	\$247,500	\$3.75	\$30.00	3.00%	4	\$990,000
											10	\$1,265,616
Gross Receipts Tax of 4%												
Cultivation Type	Harvest Cycles /Year	Sample Area (sq ft)	Canopy @ 75%	Yield (lbs)	Value @ \$800/lb - \$1,000/lb	Tax per Square Foot	Total Annual Tax Paid	Tax Rate per sf per Cycle	Tax per Pound	Tax as Percent of Value	Number of Permits	Total Tax Revenue
Outdoors	1	43,560	32,670	3,267	\$2,613,600	\$3.20	\$104,544	\$3.20	\$32.00	4.00%	2	\$209,088
Mixed Light	3	22,000	16,500	4,950	\$3,960,000	\$9.60	\$158,400	\$3.20	\$32.00	4.00%	4	\$633,600
Indoors	4	22,000	16,500	8,250	\$8,250,000	\$20.00	\$330,000	\$5.00	\$40.00	4.00%	4	\$1,320,000
											10	\$2,162,688

★ Lined out amount should be \$475,200.