

**Attachment 3: Tax Scenario Revenue Analysis**

<b>Retailer Permits (Adult Use)</b>				<b>Tax Scenarios</b>		
<i>Up to 3 allowed, incl. medical</i>				6%	8%	10%
	Gross Receipts	# of Permits	Total Gross Receipts			
Scenario 1	\$3,200,000	1	\$3,200,000	\$192,000	\$256,000	\$320,000
Scenario 2	\$3,200,000	2	\$6,400,000	\$384,000	\$512,000	\$640,000
Scenario 3	\$3,200,000	3	\$9,600,000	\$576,000	\$768,000	\$960,000

<b>Retailer Permits (Medical)</b>				<b>Tax Scenarios</b>		
<i>Up to 3 allowed, incl. adult-use</i>				5%	6%	8%
	Gross Receipts	# of Permits	Total Gross Receipts			
Scenario 1	\$3,200,000	2	\$6,400,000	\$320,000	\$384,000	\$512,000
Scenario 2	\$3,200,000	1	\$3,200,000	\$160,000	\$192,000	\$256,000
Scenario 3	\$3,200,000	0	\$0	\$0	\$0	\$0

<b>Retailer Permits (Delivery)</b>				<b>Tax Scenarios</b>		
<i>Up to 5 allowed</i>				5%	6%	10%
	Gross Receipts	# of Permits	Total Gross Receipts			
Scenario 1	\$546,624	1	\$546,624	\$27,331	\$32,797	\$54,662
Scenario 2	\$546,624	3	\$1,639,872	\$81,994	\$98,392	\$163,987
Scenario 3	\$546,624	5	\$2,733,120	\$136,656	\$163,987	\$273,312

<b>Manufacturing Permits</b>				<b>Tax Scenarios</b>				
<i>Up to 6 allowed</i>				2%	3%	4%	5%	6%
	Gross Receipts	# of Permits	Total Gross Receipts					
Scenario 1	\$2,500,000	2	\$5,000,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000
Scenario 2	\$2,500,000	4	\$10,000,000	\$200,000	\$300,000	\$400,000	\$500,000	\$600,000
Scenario 3	\$2,500,000	6	\$15,000,000	\$300,000	\$450,000	\$600,000	\$750,000	\$900,000

<b>Distribution Permits</b>				<b>Tax Scenarios</b>					
<i>Up to 6 allowed</i>				1%	2%	3%	4%	5%	6%
	Gross Receipts	# of Permits	Total Gross Receipts						
Scenario 1	\$2,000,000	2	\$4,000,000	\$40,000	\$80,000	\$120,000	\$160,000	\$200,000	\$240,000
Scenario 2	\$2,000,000	4	\$8,000,000	\$80,000	\$160,000	\$240,000	\$320,000	\$400,000	\$480,000
Scenario 3	\$2,000,000	6	\$12,000,000	\$120,000	\$240,000	\$360,000	\$480,000	\$600,000	\$720,000

<b>Testing Lab Permits</b>				<b>Tax Scenarios</b>		
<i>Up to 4 allowed</i>				1%	1.25%	1.5%
	Gross Receipts	# of Permits	Total Gross Receipts			
Scenario 1	\$1,500,000	2	\$3,000,000	\$30,000	\$37,500	\$45,000
Scenario 2	\$1,500,000	3	\$4,500,000	\$45,000	\$56,250	\$67,500
Scenario 3	\$1,500,000	4	\$6,000,000	\$60,000	\$75,000	\$90,000

<b>Cultivation Permits</b>				<b>Tax Scenarios</b>		
<i>Up to 3 allowed</i>				\$8	\$10	\$12
	Sq Ft Canopy	# of Permits	Total Sq Ft Canopy			
Scenario 1	5,000	1	5,000	\$40,000	\$50,000	\$60,000
Scenario 2	5,000	2	10,000	\$80,000	\$100,000	\$120,000
Scenario 3	5,000	3	15,000	\$120,000	\$150,000	\$180,000

**Attachment 3: Tax Scenario Revenue Analysis (p.2)**

<b>Assumed Tax Rates for 3 Tax Schemes, by Business Type</b>							
	<u>Retail (Adult-Use)</u>	<u>Retail (Medical)</u>	<u>Retail (Delivery)</u>	<u>Manufacturing</u>	<u>Distribution</u>	<u>Testing</u>	<u>Cultivation</u>
Matching L.A.'s Rates	10%	5%	10%	2%	1%	1%	\$8/sf
Proposed Culver City Rates	6%	5%	6%	4%	4%	1%	\$12/sf
Aggressive (maximum proposed CC rates)	10%	8%	10%	6%	6%	1.5%	\$12/sf

**Scenario Assumptions**

Scenario 1: A minimal number of permits are issued. One cultivation permit is issued. One retailer is adult-use, two are medicinal.  
 Scenario 2: A moderate number of permits are issued. Two cultivation permits are issued. Two retailers are adult-use, one is medicinal.  
 Scenario 3: The maximum number of permits are issued. Three cultivation permits are issued. All three retailers are adult-use.

**Total Annual Projected Tax Revenue for Three Scenarios**

Scenario 1: Min. # of Permits (Total of 11 Permits)

<u>Tax Rate</u>	Match L.A.	\$904,662
	Proposed Culver City	\$994,797
	Aggressive	\$1,599,162

Scenario 2: Mid. # of Permits (Total of 19 Permits)

<u>Tax Rate</u>	Match L.A.	\$1,368,987
	Proposed Culver City	\$1,527,392
	Aggressive	\$2,327,487

Scenario 3: Max. # of Permits (Total of 27 Permits)

<u>Tax Rate</u>	Match L.A.	\$1,833,312
	Proposed Culver City	\$2,059,987
	Aggressive	\$3,123,312