

BUDGET AND FINANCE COMMITTEE REPORT relative to the implementation of a business tax amnesty program for cannabis businesses.

Recommendation for Council action:

INSTRUCT the Office of Finance to prepare and present to Council a business tax amnesty program for registered cannabis businesses as described in the Office of Finance report dated October 2, 2025, attached to the Council file, with full waiver of penalties and interest and installment agreements for up to 36 months.

Fiscal Impact Statement: None submitted by the Office of Finance. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted

**SUMMARY**

At its meeting held on February 17, 2026, your Budget and Finance Committee considered the Office of Finance report, dated October 2, 2025, relative to the implementation of a business tax amnesty program for cannabis businesses, and the amendments approved by the Government Operations Committee on February 3, 2026. The Budget and Finance Committee and representatives of the Office of Finance, Department of Cannabis Regulation, Community Investment for Families Department, and Economic and Workforce Development Department discussed the funding requested for staffing resources to support the business tax amnesty program, the proposed waiver of penalties and interest, restrictions on the use of federal funding for the program, tax-related challenges imposed on cannabis businesses, the anticipated implementation timeline, the application process, and the proposed 36-month timeframe for the installment agreements that would require a Los Angeles Administrative Code change by ordinance. Councilmember Yaroslavsky introduced a Motion, seconded by Councilmember Blumenfield, to approve Recommendation No. 1 of the Government Operations Committee report, dated February 3, 2026, as amended to instruct the Office of Finance to prepare and present to Council a business tax amnesty program for registered cannabis businesses, with full waiver of penalties and interest and installment agreements for up to 36 months. After an opportunity for public comment was held, the Committee moved to approve the item as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**