



TAX ISSUES IN CANNABIS M&A TRANSACTIONS

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Topics Covered

- Diligencing and valuing the target
- Structuring the transaction
- Documenting the transaction
- Closing the transaction
- Post-transaction integration

Diligencing and Valuing the Target

- Income tax attributes and the impact of certain positions taken (e.g., with respect to Section 280E)
- Identifying and allocating where the value is among the target assets
- State sale/excise and real property tax positions and compliance

Structuring the Transaction

- Taxable versus non-taxable
 - ✓ Income shifting transfers
 - ✓ Outbound transfers
- Cash, equity (rollover) and/or debt consideration
- Basis step-up transactions
- Corporate or flow through treatment going forward

Documenting the Transaction

- Reps and warranties on positions taken and tax attributes
- Agreement on tax treatment
- Opinion conditions
- Change in law provisions

Closing the Transaction and Post-Transaction Integration

- FIRPTA certificates and tax ID forms
- Timing of post-closing transfers



Questions?