

In The News

Akerman Partner Irán Hopkins Counsels Cannabis Businesses on Optimizing Tax Efficiencies

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Real Estate partner [Irán Hopkins](#) authored an article for *Bloomberg Tax Management Real Estate Journal* titled, “*Cannabis Under Federal Law – Separating Businesses Is Key for 280E*,” in which Hopkins emphasizes the importance of routinely assessing 280E compliance while offering rules, tools, and techniques to keep in mind when structuring cannabis operations.

Hopkins writes, “In this environment, seemingly simple business decisions like choice of entity, accounting methods, and ownership structure are critical for purposes of risk management. If a cannabis business is not structured carefully and thoughtfully from a tax perspective, the effect of §280E’s disallowance of deductions can easily result in effective tax rates and tax bills equaling or exceeding the economic profits of the business, often leaving the business operating in the red. Worse still, for partnerships, §280E exposes upper-tier owners to crushing federal tax liabilities flowing through from their plant touching cannabis partnerships.”

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