

***MJBiz Daily* publishes internal IRS documents: Cannabis businesses targeted**

DENVER CO, April 12, 2021 — The Internal Revenue Service has explicitly targeted cannabis businesses, according to analysis of more than 200 pages of internal IRS documents obtained through a Freedom of Information Act (FOIA) request by *MJBizDaily*.

Today, *MJBizDaily* published both the documents and a [series of stories](#) about them.

The documents detail an effort by the IRS to compel an industry illegal under federal law to obey U.S. tax laws.

Some key insights include:

- IRS audits of marijuana businesses have generated far more in unpaid taxes, or revenue, per hour for the agency than audits of mainstream industries such as automobiles – up to four times more in certain cases.
- The average cannabis industry audit typically resulted in thousands of dollars more per hour in taxes owed to Uncle Sam, compared with per-hour averages from other businesses that were also considered good audit targets.
- The IRS has studied and refined its methods for examining marijuana industry tax returns, including training its agents on the ins and outs of the marijuana industry.
- At least five extensive marijuana auditing programs, known as [Compliance Initiative Projects \(CIPs\)](#), began in 2010 and were run by the IRS mostly in California and Colorado but also in Arizona, Michigan and New Mexico.

The series and documents are freely available at www.mjbizdaily.com.

MJBizDaily will host a [webinar](#) about the findings on April 15 at 1 p.m. ET.

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About MJBizDaily

As the leading business news information resource for the marijuana industry, *MJBizDaily's* reporters bring retailers, professional cultivators, manufacturers, ancillary service and product providers and finance professionals the information and networking they need to flourish in the cannabis industry. *MJBizDaily* also serves as producer and host of [MJBizCon](#), the leading B2B tradeshow in the industry. Recent recognition and awards include Trade Show Executive's Fastest 50, the Inc. 5000 and Folio Magazine's Women in Media.