

SLT pot shop owner faces felony tax fraud charges

By Kathryn Reed

Cody Bass, the owner of Tahoe Wellness Cooperative, is accused of felony tax fraud.

A criminal complaint filed in El Dorado County Superior Court alleges Bass filed false income tax returns with the California Franchise Tax Board for calendar years 2012 and 2013, and that he failed to file a personal state tax return in 2014. Those are felony offenses. A misdemeanor allegation is for failing to pay state income tax in 2011.



Cody Bass has been a controversial figure in South Lake Tahoe since opening his medicinal marijuana shop. Photo/LTN file

Bass did not respond to an inquiry from *Lake Tahoe News*.

His medicinal marijuana shop in the Bijou Center of South Lake Tahoe was **raided in June 2015**.

At the time El Dorado County Assistant District Attorney Jim Clinchard told *Lake Tahoe News*, "The investigation relates to tax evasion and possession of marijuana for sale."

On Oct. 6 Clinchard said, "As this is a pending case, we have no further comment."

Even though marijuana of any kind is not recognized by the federal government to be legal, the IRS still mandates taxes be paid. It has strict regulations as to what can be taken as a deduction, which can result in businesses needing to pay a higher percentage of taxes than other industries.

What happened to the "marijuana for sale" part of the investigation is unknown.

For years the city has alleged Bass was doing more than providing medical marijuana, saying that millions of dollars in weed are filtered through the Tahoe shop that have nothing to do with medicine.

While South Lake Tahoe police detectives were integral to the case, the police chief did not respond to an inquiry from *LTN*. Nor did the city manager or city attorney.

Assisting with what was described as a long and ongoing investigation were the now defunct South Lake El Dorado Narcotics Task Force, El Dorado County Sheriff's Department, state Board of Equalization and the Employment Development Department.

For now, the shop remains open and Bass is not behind bars.