

Psychedelics Are Reaching New Highs in Acceptance, and Businesses Want In

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Member **Perry Salzhauer** (Seattle) was quoted in an article, “Psychedelics Are Reaching New Highs in Acceptance, and Businesses Want In,” in *Inc.* He discussed the future of Psychedelic regulation and what this means for entrepreneurs who want to break into the industry.

The way Perry Salzhauer, an attorney at the New Orleans, Louisiana-based McGlinchey Stafford law firm sees it, two separate verticals exist in the market: the pharmaceutical vertical, which is what the FDA guidance directly impacts, and the state-level psychedelic therapy treatment vertical.

“The state vertical is probably a quicker path to generating revenue,” Salzhauer, who co-chairs McGlinchey’s cannabis industry group, says. But there’s a catch, because, like cannabis, psychedelics are illegal at a federal level. “It’s going to be more of a challenge from a tax perspective,” says Salzhauer, “because one of the advantages of going [with] the FDA pharmaceutical vertical is that you would not be subjected to Section 280E of the Internal Revenue Code, which is a punitive tax provision that applies to businesses that traffic in a controlled substance.”

For entrepreneurs working within the industry, Salzhauer advises that they figure out the vertical first. That also means that entrepreneurs should be thinking about their exit horizon, should they be interested in one, since investigatory drug processes take many years and are often significantly more expensive on the front end, he adds.

While he admits it’s probably too early to tell, Salzhauer hazards a guess that MDMA-based therapies are closer to receiving approval compared to other psychedelic therapies.

Read the full article [here](#).

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Perry Salzhauer