

Dale and Diane Rosenberg
7397-13th St. NE
New Rockford, ND 58356
Cell: 701-652-5724
Email: drosenberg@gondtc.com

RE: SB2312

Good morning to everyone.

I would like to talk to you about SB2312, relating to the purchase price of a motor vehicle; and to provide an effective date.

We need SB2312 passed.

Dale and I are both self-employed small business owners. Dale has owned his own trucking business since 1998. I have owned my own Licensed Broker of Transportation business since 2000. We have bought and sold many trucks, trailers, and vehicles since then. This past November 2020, we decided to upgrade our present semi-truck to a newer truck. We purchased a 2016 Peterbilt with the purchase price of \$89,400.00 at Allstate Peterbilt in Fargo, ND. We wanted to trade in our 2011 International Lonestar until the dealership offered us a trade-in of \$10,000.00. We were shocked. We purchased this 2011 truck from a dealership 5 years ago for \$79,900.00. Obviously, we could not take such a large loss as offered. We then advertised the 2011 Lonestar ourselves and sold it to a private party for \$35,000.00. Which was still less than we had hoped for. We take pride in our equipment and always keep up on everything, so this was not a run-down truck.

We purchased the 2016 Peterbilt on November 12, 2020 and sold the 2011 Lonestar on the same day November 12, 2020. When we contacted the Prorate Department of the ND Motor Vehicle to get it licensed, we were told that the cost of the sales tax would be \$4470.00, but with our prorate credit we would owe a tax of \$4061.98 plus title fees, etc. ending with a cost of \$4162.98. We did not qualify for a tax break even if we bought and sold our truck the same day because we did not trade this truck in at the dealership.

Dealerships have a trade-in price, and it is usually always based on book value and condition of the vehicle offered for trade-in, so they can make a profit.

If we would have traded our truck in for \$10,000.00, we would owe a sales tax of \$ 3970.00 with a tax savings of \$500.00. But taken a \$25,000.00 loss, if we would not have sold it privately.

If we could have used the \$35,000.00 less the \$89400.00 = \$54,400.00 we could have owed a tax of \$ 2720.00. This would have given us a savings of around \$1750.00 before prorating credits and other fees.

We have had a tough year with the COVID and less trucking, so our income was a lot less than in previous years, this would have been a great savings to us financially. We feel that whether we traded a truck or vehicle in at a dealership or sold our truck privately, we should get the same tax breaks. There should also be an allowed time of 3 to 6 months, or more, to buy and sell equipment or any licensed vehicle to qualify for a sales tax break, as most often it is hard to find good used vehicles.

When we bought the 2011 Lonestar we paid the sales tax on the purchase price, so we have already paid the taxes. It is like we are being taxed on it again when we sell it.

In the past 20 years of owning our own trucking business we have purchased and sold many trucks, vehicles, and trailers. The cost savings would have been helpful in making a profit for our small business.

We need SB2312 passed, not only for ourselves, but for all North Dakota residents. It would help personally and for all small business owners.

Thank you for your time and for allowing me the opportunity to speak and tell my story.

Diane Rosenberg