

Mr. chairman and members of the House Tax and finance committee. SB2217 is that bill to correct a wrong that has slowly been building over the last several years. North Dakota retailers since 1935 have been collecting sales tax for the state of North Dakota and have been remitting it monthly to fulfill that obligation for the citizens of this great state. Back when I first started doing retail, sales tax was collected through checks and cash and there's a simple form that was filled out at the end of the month when you sent that dollar amount into the state of North Dakota. Over the years we have seen the shift of cash and checks go to credit and debit cards and with those credit and debit cards comes a fee and that fee is what's causing a problem for many of our retailers. In fact the 17 years that I owned a grocery store towards the end of my tenure it was the largest fixed cost in my grocery store. As I was collecting the sales tax for the state of North Dakota I realized that I was also paying a fee for the transactions that were taking place in my store and that fee could be anywhere from 2 ½ to 5% depending upon the type of the card I was taking. Many rewards cards which many of us probably have in our wallets right now have a higher fee because of the reward. That's right your retailer pays for those fees for your reward card. I'm pretty sure if we were just developing a sales tax in North Dakota right now with the situation that we have of almost 100% credit cards being taken that this would be addressed as an unfair process for the retailers because of the fee it would create. But since this has evolved overtime it's kind of been swept under the rug but now many retailers are beginning to wake up and as we started looking at this, we realized that this is a \$17 million take from retailers through the process of collecting taxes. You're gonna have people behind me that are talking against this bill and many of them are going to tell you that this can't be done, the fact of the matter

is it can be done. It can be done right in our retail establishments, our Point Of Sale technicians can set this up to separate tax and send that information in with the credit card transaction. EBT , Snap Benefits must have the tax removed, our candy and soda are taxed and can be purchased with snap benefits. Many are going to tell you that the banks are going to lose because of this bill and that is possible that they would lose 5-8% of this fee but I say there is more retailers in this state that are going to lose way more than the banks who get to keep 92-95% of this fee. You're going to be told that North Dakota is the only state that is doing this and that's not true there are over 15 other states that are working this through their legislature probably as we speak. North Dakota is unique because every bill gets a hearing and that's why you see so many people behind me because we have woken up the industry and they don't want this can of worms opened for the country or possibly the world to see. I believe the over \$2 billion that North Dakota retailers collect in sales tax every biennium is important to this state but the retailers should not be paying a fee to collect that and I ask everybody on this committee to put yourself in the shoes of a retailer and asked if you would want to pay your kids tuition for college or pay this unfair forced fee because that's what it amounts to to many retailers. I'm not exaggerating its college tuition for their children. Mr. chairman that concludes my testimony and I'll stand for any questions.