

House Bill 1223
Testimony of Steven J Zaun, General Manager
Puklich Chevrolet Inc. and Puklich Chevrolet Buick GMC
January 19, 2023

Mr. Chairman and members of the committee. My name is Steven Zaun and I am appearing in support of House Bill 1223 on behalf of Puklich Chevrolet and Puklich Chevrolet Buick GMC.

As the law is currently written, enrolled members who live on a reservation may take delivery of a vehicle anywhere in ND and still claim their tax exemption. If a member moves off of the reservation, they must take delivery of the vehicle on the reservation to claim their tax exemption. This bill removes that requirement and allows them to claim their tax exemption regardless of where they have their primary residence.

The real-world application of the current vehicle delivery requirement puts the responsibility of compliance on the car dealers that sell vehicles to Native Americans. It is important to understand that the vast majority of Native Americans are well aware of their exemption and know that they must take delivery of the vehicle on the reservation. They also expect the dealer to deliver the vehicle to the reservation so they may claim their exemption. As such, we must hire two drivers to deliver the vehicle to the reservation. This creates an additional expense that can run into hundreds of dollars per delivery in today's business climate. It also puts us and our dealerships at risk for accidents, damage to vehicles while being delivered, or other added liability. Several years ago, we had a driver hit a deer while delivering the vehicle, an expense that we had to bear because the vehicle was still in our custody and control. In addition, we have paid for numerous windshields that have been broken during delivery as well.

This bill does not create a new tax exemption. It simply allows Native Americans to claim their current tax exemption without placing additional burdens, expenses, and liabilities on car dealers.

In our current business climate, every dollar counts. While profits have been strong, our business costs have never been higher forcing us to make decisions every day to continue our operations at a level of service our customers have come to expect and deserve. This legislation helps eliminate an expense for dealers without creating any new expense for taxpayers. Monies saved at the dealership level will certainly be re-invested into our team members and other critical functions in our businesses. Furthermore, the state will likely benefit from this bill as any incremental reduction in our expenses will increase our state taxable income. Likewise, instead of having two sales personnel spend half a day delivering a vehicle we can keep them working at the dealership and thereby increase their income as well as the dealership's income....which will again result in more income tax for the state.

Thank you very much members of the committee.

Steven J Zaun, General Manager
Puklich Chevrolet Inc. and Puklich Chevrolet Buick GMC