



## Testimony- HB 1382

February 5, 2025- House Finance and Tax Committee

Chairman Headland and Members of the House Finance and Tax Committee:

For the record, I'm Mike Rud, President of the North Dakota Petroleum Marketers Association. On behalf of over 650 retail store fronts NDPMA proudly represents, I stand before you urging a **"DO NOT PASS" recommendation on the gas tax portion of HB 1382.**

Like the esteemed group which testified before me in support of this bill, the associations I represent certainly understands the value of a good transportation network.

If I recall correctly, in 2021 ND's legislative body passed both a bonding and a Legacy Funds Streams Bill. I believe both of those bills continue to provide good long-term solutions for road and infrastructure maintenance and development at all levels of government.

With inflationary levels remaining at numbers we haven't seen since the late 1970's this is not the time for any consumer taxes. I highly doubt any members of the 69<sup>th</sup> Legislative Assembly knocked on doors with the pledge to raise their constituent's taxes.

Several NDPMA members sent some insightful comments when I shared HB 1382 with them:

Seems kind of weird to be asking for a tax increase when they've got \$10B in the bank.

One retailer said and I quote "Simply put, the sponsor told her it's because we haven't kept up with our neighboring states. I replied that keeping up with the Joneses isn't enough justification in my opinion to raise taxes."

I recognize we are less than neighboring states on gas tax, so the argument of parity is null. We should oppose this based on the consumer; they are feeling enough pain from inflation for everything they buy. As a matter of principle, we should be strongly opposed.

I am against raising the tax on gas. The counties and cities are getting plenty of money from the increased assessments. The only ones that can claim any suffering are the townships and that's questionable.

When you think about it, these are the same things the average citizen in ND would likely saying about any tax increases. You all know, the general public is rattling the sabers for some property tax relief, and you are going to do all you can to lower those taxes.

I have one more marketer comment to share that really hit home with me in the past few weeks. He said, "while this bill would simply be a pass-through consumer increase on the price of gas, it would needlessly raise business costs by increasing fees on retail credit card transactions. I'm totally opposed to this tax."

I penciled it out. It's projected this 3-cent increase would generate 42 million dollars in revenue. Let's say 90% of total purchases are paid with a credit card at 650 store fronts across the state. The average retailer is paying 3.25% to process roughly \$38 Million dollars worth of sales. It calculates out to about \$1.3 million dollars in additional processing fees. Spread over the biennium, gas retailers would pay \$1,000 more each year in fees because of the 3-cent gas tax increase. So, as my member points out, the business community is not being held harmless in any way with this tax increase.

You take that same 42 Million dollar projection and keep it in consumer pockets it churns through the economy 4-5 times and generates upwards of \$200 million dollars in sales for ND businesses.

Do the right thing for the consumers and businesses in ND. Give a DO NOT PASS recommendation on the gas tax portion of HB 1382.