

## Testimony HB 1382

March 24, 2025- Senate Finance and Tax Committee

Chairman Weber and members of the Senate Finance and Tax committee:

For the record. My name is Paul Mutch from Larimore. I have been associated with the management and ownership of our small family convenience store in Larimore for almost 40 years. I am urging a "Do Not Pass" recommendation on the gas tax portion of HB 1382.

In my mind, there is never a "good" time for a tax increase, however big or small it may be, or how "painless" it is purported to be. Working at our convenience store and interacting with customers on a daily basis, I believe that personal budgets right now are tighter than they have ever been. Many people are living paycheck to paycheck because of our high inflation. Often times, people are paying with a credit or debit card, then finishing off payment with a handful of change. No, I don't have any scientific data to back this up, and No, it doesn't happen all the time. But I can tell you that it happens a lot more often than it ever used to. Times are also tougher for the residents of towns like mine who have recently gone through citywide infrastructure improvement projects that have equated to an additional \$1500-2000 in special assessments paid annually for the next 20-30 years.

Many of our local residents commute upwards to 60 miles each day to work, either to the Air Base or Grand Forks. Others in the state drive much farther than that. I suppose it could be argued that they wouldn't even "feel" such a small 3 cpg gas tax increase, but along with everything else going up, their bank accounts would feel the extra strain.

I don't believe this is the time for a tax increase of any sort. It was just last session that this legislature passed a significant Income Tax Relief Package in HB 1158. It was lauded by Gov. Burgum and legislative leaders as "The largest individual income tax relief package in state history and a huge win for North Dakota taxpayers." Also, "it allows workers across all tax brackets to keep more of their hard earned money." I couldn't agree more.

Now this session, the focus is on Property Tax Relief. Property tax relief will be given because the people have spoken and the state can afford to give it. I applaud the fine work being done by this legislative body, but let's not have meaningful tax relief on the one hand and a tax increase in the other. Quite frankly, many North Dakotans are upset that there is any kind of a proposed tax increase when there are billions of dollars in the bank. I think you would be hard-pressed to find any North Dakotan who would not be in favor of going to the kitty to pay for road and bridge repairs, rather than raising their taxes.

Is the 3 cpg gas tax going to put a dent in anyone's lifestyle in this room? I don't think so. But I would rather have the 42 million dollars being spent at our local grocery stores, co-ops and main street businesses.

For these reasons, I would say keep up the good work on property tax reform, but don't be tempted to vote yes for this gas tax increase.

Thank you for your consideration.