

## Testimony in Favor of North Dakota House Bill 1428

Good afternoon, members of the Senate Finance and Taxation committee. My name is Jeff Anderson, and I am the Executive Director of the Arc of Cass County. I am here today to express my strong support for House Bill 1428, which proposes a sales tax exemption for used clothing sold by thrift stores operated by nonprofit corporations. The Arc of Cass County operates two thrift stores in Fargo ND, and revenue from these stores fund 98% of our advocacy, education, and social programs. Through these sales we are able to operate without any state funds. I believe that this proposal is a good thing for the people of North Dakota for a number of reasons:

First, it will support nonprofit missions:

Thrift stores run by nonprofit organizations play a vital role in our communities. They not only provide affordable clothing options for individuals and families in need but also support the charitable missions of their parent organizations. By exempting sales tax on used clothing, we can help these nonprofits maximize their revenue, allowing them to reinvest in vital programs and services that benefit our community members.

Secondly, it promotes sustainability:

This bill also aligns with our nation and state's growing commitment to sustainability. Thrift stores enable easy purchasing of second-hand clothing, thereby reducing textile waste from landfills and delighting our customers by allowing them to save money by purchasing used items. A sales tax exemption would further incentivize this behavior, benefiting both our landfills and our communities.

Third, it provides economic relief for families:

The rising cost of living presents challenges for many families in North Dakota. Thrift stores offer an essential resource for those seeking affordable clothing options. By eliminating sales tax on used clothing, we can help ease some of the financial burdens faced by low-income families, allowing them to allocate their limited resources to other necessities, such as food and housing.

Fourth, there are precedents in other states for clothing sales tax exemptions:

New clothing sales are completely exempt in 4 states, Delaware, Montana, New Hampshire, Oregon. Partial exemptions for clothing exist in 8 more states Alaska, Massachusetts, Minnesota, New Jersey, New York, Pennsylvania, Rhode Island and Vermont. 12 states have tax exemptions for new clothing, is it time for North Dakota to offer a sales tax exemption for used clothing sold at non-profit thrift stores?

In conclusion, I urge you to support House Bill 1428. This legislation is an impactful step toward empowering nonprofits, supporting our citizens (including needy individuals and families), and promoting a culture of giving and sustainability in our state. Thank you for your time and consideration.