

Testimony in Opposition to House Bill 1428
March 5, 2025
Senate Finance and Taxation Committee
Bill Wocken on behalf of the North Dakota League of Cities

Good morning, Mr. Chairman and members of the Senate Finance and Taxation Committee. For the record, my name is Bill Wocken, appearing on behalf of the North Dakota League of Cities in opposition to House Bill 1428.

This bill proposes a new sales tax exemption for gross receipts from the sale of used clothing sold at a thrift shop owned and operated by a 501 c(3) non-profit organization.

This concept has been proposed in several of the previous assemblies. The League of Cities has consistently opposed this bill and others requesting exemptions from the sales tax. Eliminating products from those that pay the sales tax reduces the tax base and creates a corresponding loss of revenue to the sales tax. This results in a loss of utility to the items funded with sales tax revenue.

This bill would also give thrift shops qualifying for this exemption an advantage over other merchants selling used clothing who are not aligned with a qualifying non-profit organization. There are quite a few of these merchants doing business in most communities under various names and circumstances.

While we appreciate the good intentions of this bill and its sponsors, the bill does create an uneven playing field for used clothing merchants and an added pressure on the sales tax, which revenues are in high demand. The bill carries a fiscal note showing an impact on both state and local government revenues.

We respectfully request a Do Not Pass recommendation from the committee on House Bill 1428. I will be happy to answer any questions you may have of me.