

HB 1402
House Finance & Tax Committee
January 25, 2023
Testimony of Rep. Karen Karls, District 35, Bismarck

For the record, I am Rep. Karen Karls, District 35 here in central Bismarck.

I received a call from a constituent who told me the new refrigerator he purchased locally required a charge for delivery (~\$150). Being a senior citizen he couldn't load it up, take it home and install it...so he agreed to the extra charge. Upon receiving the bill, he was disgusted to see that the store charged him sales tax on the delivery charge, as well as on the appliance. His understanding was that ND does not tax services and that delivery is definitely a service.

I now know, from visiting with another constituent who works for the tax department, that ND does indeed, tax delivery services. However, I agreed to put in this bill.

For good measure we found another sales tax that would definitely help the disadvantaged in our state.

We've all visited thrift stores run by non-profits in our communities. They help people clean out their used clothing, sort it, price it and put it out on racks for sale at very low prices. Since ND (unlike MN) still taxes clothing, these garments have already yielded sales tax revenue for the State in a retail or online store somewhere. Some customers wear a garment for a while, maybe it doesn't fit—or the color is out of style, and donate it back to the thrift store. And, the cycle begins again.

I volunteered at our local ARC thrift store for almost 2 years. It was an amazing experience. I loved stocking the shelves and visiting with customers, many with few worldly goods, some hunting for bargains and a few antique hounds, mostly I saw families buying clothes for their kids.

Everyone pays sales tax, rich or poor. I know the list of sales tax exemptions is long and you have several requests this session; I hope you will give these two proposals your consideration.

Thank you Mr. Chairman and members of the committee.