

Testimony in Opposition to House Bill 1402  
January 25, 2023  
House Human Finance and Taxation Committee  
Bill Wocken on behalf of the North Dakota League of Cities

Good morning, Mr. Chairman and members of the House 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 Section 3 of House Bill 1402.

Section three of 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 creates a corresponding loss of revenue to the sales tax and a loss of utility to the items funded by 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.

We respectfully request a Do Not Pass recommendation from the committee on House Bill 1402. But if the committee is going to advance the bill we would request that Section Three be removed. I will be happy to answer any questions you may have of me.