



LEGISLATIVE BULLETIN

#2 - 1972

PHONES--
SENATOR: 224-3372
REPRESENTATIVE: 224-3506

WHERE
DO
WE
STAND

On Wednesday, January 12, the House Taxation Committee held a hearing on two bills in which retailers have a vital interest:

HB-527 Business Inventory Tax Repeal

HB-528 Retailer's Collection Fee

No action was taken at this time. Both bills are being studied and receiving further consideration.

WHO
WAS
THERE

The weather kept John Trumble, SDRA Chairman, away. His enclosed statement was read by your President, Ron Schmidt, representing the Implement Dealers, Tom Gleason representing the Hardware Dealers, Harold Obenauer representing the Lumbermen's Association and Les Ferley representing the Jewelers all spoke in favor of the bill. The SDEA opposed the bill.

WHAT
ABOUT
OTHER
BILLS

Following is a list of some of the bills in which we have an interest:

S - 14	Minimum Wage	S	Commerce
S - 17	Inventory Tax Repeal	S	Taxation
S - 43	Recyclable containers	S	Health
S - 105	Phosphate free detergents	S	Health
S - 136	Firearm controls	S	Judiciary
S - 159	Retail Credit Sales Act	S	Commerce
H - 527	Inventory Tax Repeal	H	Taxation
H - 528	Retailer's Collection Fee	H	Taxation
H - 573	Holder in Due Course	H	Commerce

All of the above bills are of some concern to the retail industry. Let your legislator know how you feel about them.

WHAT
TO
DO
NOW

Contact members of committees where bills in which you have an interest are located. Visit, write or call. Check Legislative Bulletin #1 for address and phone number.

S-Commerce-Steele, Anderson, Pieplow, Mills, Green, Collingwood and Hall. S-Taxation-Burke, Johnson, Dunmire, Burns, Quinn, Flynn, Collingwood, Hall, Kandaras. S-Health-Spiry, Mills, Trask, Bierle, Smith, Sperry, Hall. H-Taxation-Larkin, Stalheim, Kaufman, Miller, Nepstad, Kirk, Dunn, Hadd, Elwood, Ellingson, Anderson of Brule, Sivertson, Tracy. H-Commerce-Jelbert, Mehlhaff, Gross, Anderson of Minnehaha, Anderson of Brule, Rothstein, Amundson, Halverson, Haugo, Tschetter, Walter, Perrigo Piersol.

About a dozen years ago, concerned and visionary South Dakota Legislators and businessmen saw the need for a 'Freeport Law' in South Dakota. This law allows Business Inventory to be free of taxation if it is to be shipped outside the state. This law has been good for the economy of our state.

As a direct result of the 'Freeport Law' we have seen plants such as: Sencore, Quadee, 3 M, Date Control, Little Dutchman, as well as many others, become established in our state. These companies have added much to the assessed valuation of the communities in which they are located. These companies have steady payrolls and have created many other off shoot advantages to the people living in those specific communities. Considerable more has been added to the economy of the local community and South Dakota than was lost through repeal of the tax.

Now, through House Bill #527, we are suggesting that legislators once more develop visionary sight, go one step further than the 'Freeport Law' and repeal the tax on all Business Inventory. A number of states have done this and in each case they did not find it necessary to impose a replacement tax.

Businessmen have found it necessary to spend money (advertise) to create business. They have found over the years that money spent in advertising will come back to them in an increased amount. The states which have repealed the tax on Business Inventory have found their loss from the tax made up from two specific sources:

1. Increased investments in real estate.
2. Increases in sales volume.

Our organization, the South Dakota Retailers Association, along with many other retail organizations and many individual retailers feel that everyone will benefit from this legislation. The cost of doing business will be reduced and this reduction will be reflected in the prices paid by the consuming public. Just one more big step towards improving the economy of our state.

This is an opportunity to remove a tax, without harm to any taxing entity, and allow all South Dakotans to reap the benefit. We urge that you move HB-#527 out of the committee with a "DO PASS."

Statement presented by:

John Trumble, Chairman, South Dakota Retailers Association
Wednesday, January 12, 1972
House Taxation Committee--Charles Larkin, Clark, Chairman

South Dakota Retailers Association
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