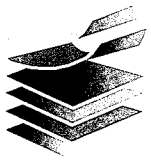
2-10-01

THOMAS  **PRINTING**

ESTABLISHED 1962

SENATE TAXATION
EXHIBIT NO. 4
DATE 3·5·09
BILL NO. SB490

February 9, 2009

Senator Roy Brown
PO Box 200500
Helena MT 59620

Dear Senator Brown,

The Montana Business Equipment Tax is a detriment to improving Montana's economic climate. According to news reports from the Governors office the BET is a penalty tax directed toward large, out-of-state corporations who do business in Montana. ***What kind of childish logic is this?*** It's like cutting off your nose to spite your face. You will receive an increase in tax revenue and a decrease in social services by eliminating the BET.

The quality of life begins with a job! Montana should pursue legislation that would encourage both **large** and **small** businesses to make investments that provide jobs in Montana. Both Democrats & Republicans need jobs therefore this is a bipartisan issue.

Stop putting band-aids on the BET tax issue and totally eliminate that regressive tax. The $100,000 credit you are considering is not the solution to this problem. It requires major investment, millions of dollars, to remain competitive in the worldwide market place today. The quality of the job depends on the size of the investment. Big investments; good paying jobs. Small investments; low paying, part time jobs. Penalize large out-of-state businesses and they move their repair and service departments out of state but still do business in Montana with a smaller labor force. The BET tax eliminates job opportunities for small Montana businesses by discouraging them to expand and invest in equipment necessary to compete with large corporations. **PLUS** . . . by discouraging businesses to invest and expand you take away the opportunities for our college graduates and Montana's work force to find jobs in Montana.

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Let me give you a few examples of what is happening to just one Montana industry that I happen to know a little about since I have owned and operated businesses in this industry for 47 years.

The **State of Montana** purchases millions of dollars in printing, annually, from foreign countries and out-of-state printers, based on price, while driving up the cost of printing for Montana Printers with the regressive BET tax. If you doubt this explore the printing awards for Montana Travel & Promotion Bureau, University of Montana who just awarded a 3 year contract to an out-of-state printer for the "Montanan Magazine" after the taxpayers in Montana bought the U of M Printing Department a 4-color press; Fish, Wildlife & Parks print their outdoor magazine out-of-state, the Montana Historical Society is in process of re-bidding a Historic Quilt Book because they can get it printed cheaper in China and this is just the tip of the iceberg . . . the sad part of this equation is that each one of these printing jobs could have been printed in Montana with better quality, better service and provide jobs for Montana taxpayers but not as cheap. Investments in the Printing Industry require millions of dollars to remain competitive. We provide good paying, year around jobs, health insurance, personal leave, paid holidays and vacation pay; does China?

To those of you who are working for a better business climate in Montana by the elimination of the BET . . . THANK YOU for your vision and support of Montana families and the future of our children and grandchildren.

Regards,

Frank Thomas
Printer