Testimony in Opposition to SB501

Senate Taxation Committee

March 11, 2009

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Gaming Industry Association of Montana

SENATE TAX COMMITTEE
EXHIBIT NO. 16
DATE 3.11.09
BILL NO. SB501

SB501 is not good tax policy

- SB501 is not broad based. Taxes should be broad based with low rates.
- SB501 is targeted taxation of a small business sector
- Targeted taxation in the current economic crisis Montana is facing is especially onerous

SB501 Duplicates Existing Programs

- For FY2008 approximately $6.9 million alcohol taxes were transferred to the Department of Public Health and Human Services for chemical dependency prevention and rehabilitation programs.
- For FY2008, the Board of Crime Control gave grants totally approximately $332,000 to local law enforcement to prevent underage drinking
- For FY2008, three Indian tribes received approximately $384,000 is alcohol taxes through state - tribal agreements.

Additional Existing Programs

- "Let's Control It" Server Training
  - Developed by Montana Department of Revenue
  - Classes provided around the state by Healthy Mothers/Healthy Babies Coalition
  - 9 classes scheduled around the state for April – June 2009
- TIPS and TAMS Server Training
  - On Premises and Off Premises server training programs delivered by private entities

SB501 Will Hurt the Hospitality Industry

- Discretionary income drives the health of the hospitality industry.
- In these unprecedented economic times, discretionary income has and will continue to decline
- SB501 if passed will only add to the economic pain currently being felt by many Montana small businesses and particularly the hospitality industry

Please vote do not pass on SB501