

SAIPAN CHAMBER OF COMMERCE

P.O. Box 500806 Saipan, MP 96950 • Tel: (670) 233-7150 • Fax: (670) 233-7151
www.saipanchamber.com info@saipanchamber.com

2009
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February 27, 2009

The Honorable Ray N. Yumul
Chair, House Standing Committee on Ways and Means
House of Representatives
16th Northern Marianas Commonwealth Legislature
Saipan, MP 96950

Re: House Bill No. 16-217

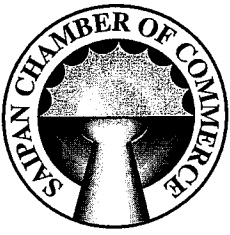
Dear Mr. Chairman:

Thank you for the opportunity to comment on House Bill 16-217, to repeal and reenact 4 CMC §5611(D) and for other purposes. The Saipan Chamber of Commerce's Government Relations Committee has reviewed and discussed the bill. The Chamber urges your committee to recommend that H.B. 16-217 be rejected by the House of Representatives.

This legislation is simply another attempt to increase taxes, although in the guise of fees. We have, and will continue to, oppose tax increase measures in the midst of the Commonwealth's economic depression. We believe that the appropriate means to increase tax and fee collections is through (1) enforcement of existing laws and (2) encouraging new business operations in our islands by making the Commonwealth more business-friendly. Increasing taxes or fees at a time when business revenues are dwindling and costs are continuing to increase is not "business-friendly." The private business sector is already the largest contributor to the Commonwealth's general fund.

Additionally, the size of the proposed increases is staggering and unsupported:

Fee	Current Amount	Proposed Amount	Percentage Increase
Wholesalers	\$50	\$3,000	5,900%
Manufacturers	\$50	\$2,000	3,900%
Roadside vendors – local agric. & fish products	\$5	\$100	1,900%
Insurance brokers	\$100	\$700	600%
Retail/commercial banks	\$500	\$3,000	500%
SCUBA instruction / tours	\$100	\$600	500%



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Offshore banks	\$1,000	\$4,000	300%
Insurance agents	\$75	\$300	300%
Securities dealers	\$300	\$1,000	233%
Insurance companies	\$300	\$1,000	233%
Public utilities	\$300	\$600	100%
General business	\$50	\$100	100%
Roadside vendors – imported fruit & veg.	---	\$200	---

Government should be encouraging new investment and supporting existing businesses in the Commonwealth. These increases will discourage new investment in the Commonwealth and will harm current businesses at a time when most companies are facing decreased revenues and increased costs.

I would be happy to answer any questions you have or provide any information your committee may need with regard to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Arenovski".

James T. Arenovski
President