

MPMCSA Summer 2017 Article

Greetings from the Big Sky state! We are wrapping up the 2017 Montana legislative session and it has been a whirlwind. Our biannual schedule for convening the session demands a lot of work gets accomplished in a short 90 days. Our group was on the forefront of a number of important issues this session, all with a major focus on increased taxation.

The MPMCSA has been on the front lines of the growing controversy over taxing sweetened drinks. HB 607 proposed a five-cent excise tax on every twelve ounces of all “sugary” drinks sold. Our association worked closely with representatives from the retail, grocery, and beverage industry as well as the tax association to stand in opposition. Such a tax in Montana would have created significant hardship for c-stores. The retailers would have been responsible for collecting and remitting the tax-driving an increase in overhead. There would have been additional struggles with implementation for our colleagues near state lines related to importing the products and the definition of the “distributor.” The additional price pressure would have almost certainly resulted in lower sales and lost revenue.

This particular bill did not make it out of committee but it is unlikely to be the last time we address a sugar tax. The World Health Organization has urged all countries to tax sugary drinks. C-stores across the country will be facing similar legislation in the coming year.

Gas tax has been another hot topic throughout the session. MPMCSA has been involved from the start, working closely with the Infrastructure Coalition to provide valuable insight into the daily operations of a C-store. We have helped guide this process to ensure that the association and industry have had their best interest at the forefront. House Bill 473 originally proposed a 10-cent increase for both gas and diesel, but the final draft stands at 4 ½ cents for gas and 1 ½ cents for diesel. This new revenue will be used specifically for infrastructure. There will be a new website created to track spending and to provide transparency as to what projects have been funded by the fuel tax.

Tobacco tax was another topic that generated enormous support from both sides. The bill proposed a \$1.50 per pack increase for cigarettes as well as a 74% increase in the wholesale price of moist tobacco. The revenue was slated to support a four dollar per hour raise of direct care workers across the state. This would have created significant hardship for C-store owners in lost revenue and even more troubling, potentially led to smuggling or black market trade. MPMCSA brought a coalition of store representatives and worked closely to provide insight as to the challenges increasing a tax like this would have created. Fortunately, our testimony and insight contributed to the committee’s decision to table the bill.

The session will be coming to an end shortly and whether it has been meter fee increases, food and beverage issues, or local option taxes, MPMCSA has worked tirelessly to ensure that the interests of the association and industry have been protected. Moving forward we are really looking forward, to our annual convention and trade show. We will be in Billings this year and will again enjoy the opportunity to network within the association and with our sponsors. We have a great lineup for speakers and exhibitors and as always look forward to the time together.

Brad Longcake, State Executive Director