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Sent: Tuesday, January 31, 2012 12:45 PM
To: Bobb.Rucho@ncleg.net; Rep. Julia Howard; Rep. Danny McComas
Cc: Rep. Edgar Starnes
Subject: Revenue Laws - Privilege licenses

My name is Mark Yambor and my wife and I am the owner of three (3) independent grocery stores in Caldwell County, N.C.

Last week, Andy Ellen of the Carolina Retail Merchants Association asked me to come talk to the Revenue Laws Study Committee about what I feel is the unfair and unjust "Privilege License" taxes that are being imposed by many municipalities around NC. Unfortunately, due to prior commitments here and a short notice, I am not able to address your Committee. I would very much like to address the Committee in March if this subject is still on your agenda.

If you will each allow me a short note however, I would like to share a few thoughts on this subject:

My office store is in Lenoir, NC where the city privilege tax for our store went from \$50.00 in 2009 to nearly \$6000.00 in 2010 because, they say, it is now (as of 2010) based on gross sales. This new tax represents about 5% of the store's net profits and really hurts us and any small business that is already struggling in today's economic climate. Please do not interpret this as we do not want to pay our fair share. We do and have been, but an increase of more than 100 times of what we were paying in one year and without any notification is overwhelming. The grocery business is very competitive with very small margins (national average of less than 1%) and we cannot just "pass on" such a large fee.

We employ over 170 people and would like to hire more and invest more but taxes like this one impede not only our ability to do so, but also our mind set as to "is it the right climate to do so".

In 2011, Granite Falls, NC imposed a similar tax with similar fees and results.

Further evidence of why we feel this tax is unfair is the businesses that are exempt from the tax altogether. These include (although the list varies from city to city) lawyers, banks, doctors, real estate brokers and agents, trucking companies, telephone companies and others. The list in Lenoir exempts over 40 businesses.

Thank you for listening and please consider my comments.

Respectfully,

Mark S. Yambor
Owner/Operator
Fairvalue Stores