

Nobody should get special deal on sales tax

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Maine should not give Cabela's a special sales tax deal.

Cabela's, a Nebraska-based outdoor equipment retailer, is on the verge of building a 125,000-square-foot retail store that would anchor a 65-acre development off Exit 42 on the Maine Turnpike.

The sporting goods dealer projects 3 million people would visit each year, generating \$55 million in sales with up to 35 percent of that coming from out-of-state shoppers. In all, the project, which includes restaurants, banks, offices and a five-story hotel, would create about 800 jobs.

Here's the catch: Cabela's says it will come to Maine only if it doesn't have to collect sales tax on items purchased through its catalogs by Maine customers.

Cabela's does not now have a retail store here, so the company collects no sales tax from Maine residents who buy items through their catalog.

That doesn't mean that Maine people aren't legally required to pay the tax; it just means that Cabela's isn't required to collect it.

In practice, this means few of Cabela's Maine customers actually pay sales tax on their purchases.

If Cabela's opens a store here, that would change, unless companies can negotiate a special deal that allows them to have their cake and eat it too.

That deal would give Cabela's a 5 percent advantage on every item purchased by Maine catalog customers compared to other in-state businesses, including L.L. Bean -- a competitor in the outdoors equipment industry -- which collects the tax.

For obvious reasons, L.L. Bean opposes Cabela's request.

Nobody wants to see Scarborough lose a development that would fit in well with the state's outdoors heritage, but it would be wrong to rewrite our tax laws to benefit one company.

Maine, and it seems every other state, has long adopted a policy of bending over backward to offer businesses tax incentives of all types.

TIFs -- tax incentive financing plans that allow new or expanding businesses to avoid paying at least a portion of the property taxes for new construction -- may be overused but they at least do not put other businesses at a competitive disadvantage.

Somebody has to pay the taxes that fix our roads and send our children to school, and that means we need tax laws that are clear, credible and fair.

If we negotiate a special deal with every new employer that offers to open its doors in this state, we are telling all businesses, both new and old, that the state has no such tax laws.

Nor should tax policy be negotiated on a sliding scale with the biggest businesses getting the sweetest deal, while small mom and pop stores have to pay full boat because they can't afford the lawyers and lobbyists.

Maine wants and needs good businesses like Cabela's; the state should be looking for every legitimate tax incentive and grant it can find to bring the company to Scarborough.

But what Cabela's is asking is to tilt the playing field against business that is already here, and no state can do that and maintain its credibility.