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Oppose Licensing of Direct Sellers
SB 298 will hurt hard working Nevada Citizens
and will actually decrease state revenue

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ATTENTION LEGISLATORS:

Pending legislation in Nevada (SB 298) would require direct sellers - including Avon ladies, Mary Kay Beauty Consultants, and Quixtar Independent Business Owners - to obtain and pay for an annual business license. To make matters worse – this legislation will double to the cost of this license.

Existing Nevada Code exempts direct sellers from the burden and prohibitive cost of licensing. This is due to appropriate historical recognition that these small home-based entrepreneurs should not face significant regulatory and licensing obstacles. These entrepreneurs earn money to supplement their family income by selling products to family, friends and neighbors while interesting others to do the same. Certainly, we wish to prevent unnecessary burdens upon these smallest of small Nevada businesses.

Loss of Revenue:

Alticor currently collects and remits sales tax on all sales behalf of our Amway and Quixtar Independent Business Owners in Nevada. Please remember that low cost of entering and maintaining this business is one reason that many people choose our company as an income producing opportunity. However, if government imposed fees and taxes actually exceed the cost of starting the business, there will be less sales in Nevada. As a result, there will be less sales tax paid to the state treasury.

It's that simple.

We would ask you to consider the following:

- The majority of direct selling is conducted on a part-time basis with modest earnings
- Adding additional costs and licensing requirements creates an unnecessary barrier to entry of an important income-producing opportunity. Government should not create barriers to Nevada citizens trying to earn additional income to help their families.
- No other state has placed this burden upon direct sellers.
- A decline in direct selling would mean a decline in sales tax paid to the State Treasury by this industry.

ASSEMBLY JUDICIARY

DATE: 5/5/03 ROOM: 3138, EXHIBIT F

SUBMITTED BY: Bryan Harrison