

December 15, 2009

Ms. Jennette Barnes, Editorial Page Editor  
The Standard-Times  
25 Elm Street  
New Bedford, MA 02740.

Dear Ms. Barnes:

The New Bedford Area Chamber of Commerce opposes the implementation of a new local option meals tax in New Bedford. While we recognize that the city needs revenue, we feel that now is not the time to add any new financial burdens on local businesses nor the buying public. We believe that this is an unfair tax burden on a single industry and represents poor tax policy that would have a negative impact on our local economy, already struggling with this unprecedented economic downturn.

If this new local meals tax of .75% is enacted, it would result in a total meals tax of 7% in the City of New Bedford. This includes the state sales tax which recently increased from 5% to 6.25%. That represents a 40% increase in less than a year for local residents and restaurants to absorb! The majority of our restaurants are locally-owned small entrepreneurs and family owned businesses that generally hire city residents. All would be detrimentally hard hit by any new taxes. We have few national chain restaurants like other neighboring communities. Like most businesses, our locally owned restaurants are feeling the effects of the economic downturn. People are cutting back on discretionary spending and are eating out less frequently. Our local restaurants are particularly vulnerable to these conditions given their small profit margins, unusually high operating expenses, and other financial pressures such as high property taxes and increased wholesale food costs.

The City of New Bedford has made much progress in the last few years. Officials have targeted tourism as an industry for economic development growth, recruiting cruise ships to visit our port with the potential of tourist dollars being spent at our shops and restaurants. We have seen a number of new restaurants that have opened throughout the city and a new hotel and conference center is in development. These small businesses represent entrepreneurs that are taking risks, investing in our great city, and surviving despite the difficult economic climate. They represent new jobs for local residents and additional property taxes to support city services. They have helped to fuel the buzz that New Bedford is undergoing a major new renaissance. We believe that it is important to continue the progress and momentum by supporting and nurturing these home-grown businesses and not create additional burdens that threaten their fragile existence.

The City Council has the opportunity to send a powerful message to the business community by rejecting the proposed local option meals tax. The Council's actions would show a willingness to work with businesses. It would show a recognition that small businesses are an important part of the city's future and that our elected officials are serious about wanting entrepreneurs to succeed and invest in the revitalization of New Bedford.

Sincerely,

Roy M. Nascimento, IOM  
President & CEO