

Testimony on S.2255

By Burr Morse, Pres. Morse Farm Sugar Works

Thank you for allowing me to testify today. My name is Burr Morse and my business is the Morse Farm Sugar Works in Montpelier, Vermont. I am a diversified farmer with roots back to the late 1700s in Central Vermont. Diversification is necessary because maple sugar making is a seasonal activity that lasts but one month out of twelve, and that is on a good year. To supplement the income derived from gathering and boiling down forty gallons of sugar maple sap to get one single gallon of Vermont maple syrup, I grow crops and host tourists in my sugar house.

In any given year, one to four percent of our fifty thousand visitors become mail order customers by placing orders over the phone and by mail from our annual catalog or newsletters. In 1999 we expanded our sales program into the electronic media market by publishing a web site to increase the reach of our print and broadcast advertising.

The site required an investment of \$6000.00 and incurs monthly fees of a minimum of \$225.00. The response to the quality and uniqueness of our site has been overwhelming and brings me to these proceedings today. I have been able to document visits to the Morse Farm that have resulted directly from the web, and we are enjoying some success with on-line orders. In real terms, however, our web presence is a long term investment and not a panacea for the uneven cash flow generated by a seasonal business like ours.

I encourage you all to visit www.morsefarm.com on the internet but please recognize that it is not a dot-com business that is likely to appear on the Nasdaq charts one day. It is a way for me to better serve my customers to assure their loyalty to my Vermont product. It is a new "crop", if you will, in a field that without time to grow, will not provide a harvest. I submit that a moratorium on taxation of internet sales until 2006 is the very minimum of what traffic will bear.

My business is threatened daily by mega-mergers in the food, travel, and mail order industries. Big business has won the battle and without an affordable way to communicate with customers who want traditional products, I can not compete. If afforded the opportunity of nurturing this new field that is the Internet I might be able to recoup my original investment and find a little stability in a dynamic marketplace. If and when I make money on my investments, I pay taxes on those profits. Talk of taxing sales over the Internet affects me times two. My father told a story about sending the hired man out into the woods one day to check on how fast the sap was dripping. He returned to exclaim, "Mr. Morse, I counted eighteen drops between the end of the spout and the bottom of the bucket!" Now either he was seeing drops that were not there or he could count faster than a Pentium chip. Anyone who supports the concept of taxing sales made over the Internet is seeing imaginary profits and could, for short term gain, ruin a new and up-and-coming market.

No, it will still take forty gallons of sap to create one naturally sweet gallon of maple syrup in the year 3000 but if taxed forty ways, nobody will be making the effort and nobody will even recognize the taste that came out of New England all those years ago.