

# Dear ArrowTrade...



## Could new FET tax cripple Archery's future growth?

Does archery have a death wish? The new Federal Excise Tax supported by ATA's leadership imposes an unbelievable 50 percent tax on the cost of manufacturing youth arrows. The Federal Excise Tax (FET) on hunting and fishing products is calculated as a percentage of the sales price. Only arrows are subject to a flat tax of 39 cents per arrow. By changing the tax rate from a percentage to a flat tax the tax burden has dramatically changed. A \$10 arrow now has the same tax as a \$2 youth arrow. Any other sport would go ballistic at even the suggestion of a huge youth or entry-level tax increase.

### Imagine...

... 22 shells having the same FET tax as 30.06 bullets. The NRA would go nuts.

... Someone who is making \$1,000,000 a year paying exactly the same income tax as a person making \$10,000 a year.

... Legislation to quadruple the tax on youth ski passes. The ski industry wouldn't tolerate such stupidity.

... Little League Baseball bats shouldering the same exact tax burden as the expensive professional bats.

Congress passed ATA FET legislation which was supported with \$500,000 of ATA money. Once enacted, the IRS interpreted this legislation to mean that all archery dealers who fletched arrows would be required to file a FET 720 form quarterly. Instead of accepting responsibility for this dealer tax inconvenience the ATA leadership quickly designed a new flat tax idea.

The ATA's emergency message to Congress was that the 10,000 archery dealers couldn't handle this paper tax burden. That the dealers would rather suffocate the future of archery than be inconvenienced by filling out a quarterly form.

If the archery shops were informed that youth arrows and entry level arrows, now would become the highest taxed product in the country at 39 cents an arrow, more than the 18 cents per gallon on gasoline they would have shaken their heads in disbelief. The pro shops that I know would rather have a slight tax inconvenience then to suffocate the future of archery. The ATA successfully covered up their huge legislative mistake by creating a new flat tax on archery's future with absolutely no guarantee that any of this money will be reinvested into archery.

To move forward we have to accept the brutal facts, as they exist. The new archery FET tax does not allocate any money to promote archery. It will also make it substantially more expensive for youth or entry-level archers to participate. Our challenge is to find creative ways to overcome these new obstacles.

The National Archery School Program, NASP, offers such a positive opportunity. Your ATA has allocated nearly \$200,000 to accelerate the growth of this highly successful undertaking. In March, 1,600 kids participated in an archery school tournament in Louisville, Kentucky. This program is growing archery. My hat is off to Roy Grimes and Jennie Richardson of the Kentucky Department of Wildlife with the assistance of all the volunteers that

helped to build this concept into the most positive force archery has enjoyed since Fred Bear.

*Bob Eastman, ATA Board Member  
CEO of Eastman Outdoors, including  
the Eastman Outfitters  
and Carbon Express brands  
Flushing, Michigan*

## Wood Arrow Maker Protests New FET Tax

### Dear ArrowTrade:

The new .39 cent tax on ALL arrow shafts is a complete SHAFTEERING of wood arrow makers.

Our tax was 12.4 percent or 4 to 14 cents per shaft. IT NOW WILL BE 39 CENTS EACH! The ATA has done us no favors! THE WOOD ARROW BUSINESS IS DEAD all thanks to the ATA.

*Keith Chastain  
Wapiti Bows/Rose City Archery  
Lakewood, Colorado*

## Canadian Retailer Likes What He Sees

### Dear ArrowTrade:

We would like to thank you for the outstanding magazine. We find your information and advertising very informative and helpful. We have used useful points mentioned in various columns, and they have proven to be successful additions to our business. Keep up the superior work and we look forward to your next issue.

*Neil B. Stratton  
Lost Arrow Archery  
Wainwright, Alberta*

*Editor's Note:* Opinions expressed are those of the writers. Share your thoughts on issues by sending Email to [atrade@ecenet.com](mailto:atrade@ecenet.com) or mail to 3479 409th Ave. NW, Braham, MN 55006.