Minnesota Child Care Provider
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February 16, 2021

House Tax Committee

HF0501: Modify Minnesota State Tax Law to align with federal conformity to exclusion of paycheck protection loan forgiveness from grow income.

Mister Chair and Committee Members:

My name is Cyndi Cunningham. I have been a Licensed Family Child Care Provider in St. Paul for 24 years and am the current Public Policy Chairperson for Minnesota Child Care Provider Information Network (MCCPIN), a 501c3 sitewide association for Licensed Child Care Providers.

I am writing in support of aligning Minnesota state tax code with the federal government regarding the Payroll Protection Program forgiveness dollars.

Many Licensed Family Child Care Providers, including myself, have been able to take advantage of the stimulus opportunity of the Payroll Protection Program.

This funding has given support and stability along with the state grants which have been distributed.

From the beginning of the development and implementation of the Payroll Protection Program, the message to small businesses was that the PPP was tax exempt. Unfortunately, this information was for the federal government and not for the state.

Licensed Family Child Care Providers are prepared to pay tax on grants and other income, not on the forgiveness portion of the PPP. We believe that taxing this stabilization money is not supportive of small businesses, which includes many minority groups.

Aligning these tax codes will minimize stress on small businesses, in particular Licensed Family Child Care providers. Minnesota does not need to tax minority and the smallest businesses to address the budget.

Please show support for small businesses by changing this tax law.

Sincerely,

Cyndi Cunningham

The mission of the Minnesota Child Care Provider Information Network (MCCPIN) is to support, promote and strengthen the profession of licensed family child care, thereby enriching the lives of providers, children, families, and communities.