



February 12th, 2025

Representative Greg Davids  
Second Floor, Centennial Office Building  
St. Paul, MN 55155

Chair Davids and House Taxes Committee Members:

We Make Minnesota is a coalition of labor and community groups united in support of a just and equitable state tax code. Our members include the teachers, care workers, administrators, and laborers that keep our state running. We are writing to state our opposition to HF XXXX, which would fully exempt all Social Security benefits from Minnesota state income taxes.

In 2023, the legislature expanded the state tax exemption for Social Security benefits to fully cover all joint filing recipients with less than \$105,380 of AGI, and all single filing recipients with less than \$82,190 of AGI. This change fully exempted roughly 80% of retirees, according to Department of Revenue analysis at the time. Analysis by House Research shows that a full exemption would benefit exclusively the highest-earning retirees, with more than one-third of the total value going to those earning more than \$200,000 per year. It would also deal a significant blow to our state’s long-term fiscal health.

At over \$800 million in the 2026-27 biennium, full exemption of Social Security benefits would cripple our state budget at an already challenging moment of demographic change. As our population ages, our public investment needs are becoming more difficult to fund. That includes healthcare, transportation, and other basic supports that seniors depend on. Exempting the income of top earners will make it harder for Minnesota to meet these needs, and will push the burden onto working families in the form of lost services and higher property taxes.

We urge the committee to reject this proposal.

Sincerely,

*Eric H Bernstein*

Eric Harris Bernstein, Coalition Director

