



Where entrepreneurs
start, grow + thrive

5/5/2021

Dear Members of the Tax Bill Conference Committee,

The North Economic Opportunity Network (NEON) was launched in 2006 with the goal of advancing the efforts of underserved entrepreneurs in the community, particularly those who are BIPOC. NEON uses its talents and offerings to build and support Northside businesses owned by lower-income Northside residents. We strive to work toward making small business ownership a viable path for many low-income residents to generate income and wealth for themselves and their families. By building and supporting a diverse, multi-cultural community of entrepreneurs, our approach to business development seeks to bring Northside-grown wealth and vibrancy home to the North Minneapolis.

The COVID-19 pandemic has accelerated the need for small businesses assistance as BIPOC entrepreneurs and business owners navigate new and evolving challenges to their viability. One of those challenges has been the lack of certainty surrounding the situation with forgiven PPP loans. Many of the small businesses we work with took PPP loans when the pandemic began in order to protect their employees and ensure they had a paycheck when limits on economic activity went into effect to reduce the spread of COVID-19.

These small businesses took this loan in good faith with the understanding it would not be taxed. The loan money was used to keep employees working. With the money spent on providing paychecks to employees, it would be unfair and devastating for the state government to tax this money.

Last December, the federal government made it clear that PPP loans were not to be taxed. All members of Minnesota's congressional delegation – Democrat and Republican – voted to make sure PPP loans were not taxed. It is our hope that bipartisan collaboration can be found to address this issue at the state legislature.

Making sure forgiven PPP loans are not taxed by the state is not about protecting large corporations. This is about protecting the small local businesses, particularly those run by our BIPOC entrepreneurs, that benefit our community and their hardworking employees who have endured incredible challenges over the past year.

We ask that you move forward with the making sure forgiven PPP loans are not taxed by Minnesota swiftly so that our local businesses have certainty and fairness as they plan for their future.

Yours sincerely,

A handwritten signature in black ink that reads "Warren McLean". The signature is written in a cursive style and is positioned above a light gray rectangular background.



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