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March 18, 2026

House File 3597 (Mueller)

Chair Baker, Chair Pinto, and members of the Committee -

The National Federation of Independent Business (NFIB) represents about 10,000 small businesses across Minnesota. Our mission is to promote and protect the rights of our members to own, operate, and grow their businesses.

NFIB appreciates the opportunity to testify in support of House File 3597, which exempts certain officers of S Corporations from the PFML program. This common-sense fix is aligned with the principle that individuals who control their own work situations – such as sole proprietors and independent contractors – should not be required to participate in the program.

For a small business structured as an S Corporation, the shareholders often play the role of owner, employer, and main employee. As the individual who controls the business, they are now forced to pay an additional payroll tax to fund a benefit that they may never actually use. In fact, for many S Corporation shareholders, the ability to take an extended period of leave is virtually impossible due to the operational realities of their business.

Finally, it bears mentioning that this bill retains the option for the shareholder of an S Corporation to opt-in to the program. This preserves the ability to participate for those who may see value in the program, while recognizing that for, for many, participation in the program is simply impracticable.

We respectfully ask that the committee support House File 3597. Thank you for the opportunity to provide comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Boesche", written in a cursive style.

Jon Boesche

Minnesota State Director
National Federation of Independent Business