



May 3, 2021

The Honorable Carla Nelson
Chair, Senate Tax Committee
St. Paul, MN

The Honorable Paul Marquart
Chair, House Tax Committee
St. Paul, MN

Dear Chairs Nelson and Marquart:

We are writing to express our support for a provision in the House omnibus tax bill to grant a sales tax exemption for scholarship seating donations in collegiate athletics.

As the University of Minnesota Athletic Directors in Gopher and Bulldog athletics, we've seen firsthand the benefit of the scholarship seating donation program for our student athletes, and we know the importance of keeping it vibrant and strong.

The revenue retained from the sales tax exemption in the House bill will support scholarships for student athletes, as well as student athlete wellness and academic costs. We believe Minnesota is the only state in the nation that taxes these types of collegiate athletic donations, and a similar type of tax exemption was granted to the Minnesota Vikings - a professional franchise - in 2017. We believe it is appropriate for the state to grant a similar exemption for collegiate athletics, particularly when the proceeds are going to help student athletes.


In 2018, the Department of Revenue modified Revenue Notice # 16-02, clearly interpreting existing law to include required gifts or donations paid for access to preferred viewing locations as taxable features of admission. This interpretation required the University to remit sales tax on scholarship seating donations. The legislation included in the House omnibus tax bill will put us back to where we were before the Department's Revenue Notice was modified and return over \$1 million per year into our scholarship program.

Scholarship seating donation programs benefit student athletes in ALL University of Minnesota sports, not just those that collect the donation or generate revenue each year. At the

University's Twin Cities campus, the Scholarship Seating program includes select season tickets for five Gopher sports: Football, Men's and Women's Basketball, Men's Hockey, and Women's Volleyball. At the Duluth campus, the program includes tickets for Bulldog Men's Hockey and Football, with plans to expand to Women's Hockey and Women's Volleyball in the next few years. The revenue generated from these programs ensures other programs on our campuses - like golf, baseball, and soccer, for example - also have the resources needed to provide scholarships to their student athletes.

We are grateful for the attention you have given this topic during the legislative session, and for your consideration of our request. We urge you to continue supporting our student athletes by including the House provision for a sales tax exemption for scholarship seating donations in collegiate athletics in your omnibus tax bill.

Thank you,



Josh Berlo
Athletic Director
University of Minnesota Duluth



Mark Coyle
Athletic Director
University of Minnesota Twin Cities

Enc: Gopher Athletics Fact Sheet
Bulldog Athletics Fact Sheet

Cc: Members of the House and Senate Tax Conference Committee
Representative Mohamud Noor
Senator John Jasinski
Senator Greg Clausen
Commissioner Robert Doty, Department of Revenue
Felipe Illescas, Office of Governor Tim Walz and Lt. Governor Peggy Flanagan