



February 16, 2021

Representative Paul Marquart
597 State Office Building
St. Paul, MN 55155

Chair Marquart and Members of the House Taxes Committee:

The Medical Alley Association is grateful for your commitment to Minnesota and for your continuing effort to grow and strengthen our state's recognition as a leader in health technology and care innovation. We are writing today in support of House File 501 and thank the bill's author, Representative Marquart, as well as all co-authors for bringing this important proposal forward.

Medical Alley is home to the most densely concentrated health technology cluster in the world, ranks as the #1 region in the world for health technology innovation and is leading the digital health revolution. Medical Alley Association represents over 650 members in the medical device, digital health, diagnostics, biopharmaceutical, health provider, and health insurance sectors. Our companies employ more than 500,000 people with an economic impact of greater than \$60 billion.

2020 brought extraordinary challenges for businesses in all industries in every corner of our state. We have seen businesses from all sectors innovate, utilize government resources efficiently, and do everything they can to keep their doors open. Nevertheless, the economic effects of this pandemic persist. Employers and employees continue to face challenges and state and local governments continue to search for efficacious opportunities to help them survive this economic uncertainty.

The Paycheck Protection Program (PPP) was a critical component of the CARES Act that was enacted in early 2020. Small businesses were able to utilize PPP loans to pay for things like rent and utilities, payroll, and insurance costs. These loans helped some small businesses survive as the COVID-19 pandemic swept across the United States.

The legislation before you today helps ensure the intent of these loans is not unintentionally undermined. Rather than charting its own course here, Minnesota should conform to federal tax law with regards to PPP loans and prevent many small businesses from receiving a large tax bill at a time when they can least afford it.

We appreciate the opportunity to comment today and urge your support of House File 501.

Thank you for your consideration.

Lilly Melander

Lilly Melander
State Policy and Advocacy Director
Medical Alley Association