

March 23, 2026

Representative Aisha Gomez, Co-Chair  
Representative Greg Davids, Co-Chair  
Minnesota House Tax Committee Members

Dear Co-Chair Gomez, Co-Chair Davids, and members of the Committee:

Clear Channel Outdoor is in strong opposition to H.F. 4343, which would impose sales tax on certain digital and non-digital advertisements.

Clear Channel Outdoor offers important marketing options to advertisers through billboards and digital out-of-home displays in the Twin Cities and throughout Minnesota. Businesses of all sizes utilize these marketing strategies to connect with consumers and to expand business growth. Our advertising provides cost-effective visibility that allows businesses to reach local, relevant audiences.

The imposition of a new sales tax on billboards and advertising will have a devastating effect on the cost of doing business in Minnesota. H.F. 4343 would have the direct effect of increasing costs on Minnesota businesses further eroding their economic competitiveness. Taxing advertising makes it more expensive for a business to market, which disproportionately harms small businesses who rely on advertising to reach new customers and compete with established companies. Furthermore, as businesses pass on these new taxes, consumers would ultimately bear the increased costs of higher prices for goods and services. These higher prices can stall growth, reduce sales, and lead to lower employment.

In singling out the advertising sector H.F. 4343 results in discriminatory taxation. Proposed new taxes on advertising raises serious potential conflicts with the application of the Commerce Clause and First Amendment of the U.S. Constitution.

Clear Channel Outdoor urges that the Committee oppose H.F. 4343.

Respectfully Submitted,



Daryl Hall  
SVP – Tax

CC: Representative Liz Lee





## **OUTDOOR ADVERTISING COMPANY OF DULUTH**

**March 23, 2026**

**Dear Chair Gomez, Chair Davids, and members of the House Tax Committee**

On behalf of Lamar Advertising, a Minnesota resident and the broader Minnesota business community, I am writing to express my **strong opposition to H.F. 4343**. This bill inadvertently targets the engine of our local economy: small and mid-sized Minnesota businesses.

In Minnesota, **94% of our advertisers are local businesses**. These are the hardware stores, family-owned restaurants, and local service providers that form the backbone of our communities. For these employers, advertising is not a luxury—it is a critical "business input" necessary to reach customers and survive in an increasingly competitive market.

We oppose H.F. 4343 for the following reasons:

### **1. Disproportionate Impact on Local Small Businesses**

H.F. 4343 essentially creates a "**Small Business Tax**" by making it 6.375% more expensive for a local shop to compete with a national giant.

### **2. Economic Distortion and "Tax Pyramiding"**

Taxing advertising services violates a fundamental principle of sound tax policy: sales taxes should be levied only on the final sale to a consumer. By taxing the *advertising* (a business input) and then taxing the *product* sold because of that advertising, the state is effectively "pyramiding" taxes. This forces Minnesota employers to either raise prices for consumers or reduce their workforce to offset the increased cost of doing business.

### **3. Threat to Employment and Growth**

Minnesota's advertising and marketing agencies are significant employers. By making these services more expensive, H.F. 4343 will drive business out of state to agencies in North Dakota, South Dakota, or Wisconsin, where these services are not taxed.

### **4. Unfair Industry Exemptions**

While the bill exempts traditional mediums like newspapers and radio, it creates an uneven playing field by targeting digital and out-of-home advertising. Picking winners and losers among media formats stifles innovation and punishes businesses that have struggled to employ and grow in an industry that is already highly regulated.



## **OUTDOOR ADVERTISING COMPANY OF DULUTH**

### **Conclusion**

H.F. 4343 is a regressive step that penalizes Minnesota's local employers and threatens our state's economic competitiveness. At a time when businesses are already navigating high operating costs, adding a new tax on their ability to find customers is counterproductive.

We respectfully urge you to **vote "NO" on H.F. 4343** and protect the local advertisers that keep Minnesota's economy moving.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Harrold".

Matt Harrold

GM Lamar Advertising

Home Address:

1828 Ponderosa Ave.

Duluth, MN 55811

# Minnesota Outdoor Advertising Association

March 22, 2026

H.F. 4343 (Lee) Advertising services tax imposed.

Dear Chair Gomez, Chair Davids, and members of the House Taxes Committee

On behalf of the Minnesota Outdoor Advertising Association, whose member companies operate out of home advertising assets in communities across Minnesota, we write to express our strong opposition to H.F. 4343, legislation that would impose a new state sales tax on advertising services, including the production of billboard advertising.

We are concerned that this proposed tax is both unnecessary and harmful to the thousands of Minnesota businesses that rely on cost-effective advertising channels. Outdoor advertising is a vital tool for local retailers, small service providers, community institutions, and nonprofits. By taxing the production of billboard advertisements, H.F. 4343 will inevitably increase the cost of advertising for these businesses, reducing their ability to reach customers and compete in Minnesota's economy. Because billboard operators must pass through the cost of compliance with any new tax, the burden falls not on the companies providing the signage but on the Minnesota businesses purchasing advertising space.

It is also important to emphasize that the outdoor advertising industry is already contributing its fair share through existing taxes at every level of government. Billboard companies pay substantial federal income taxes, state corporate taxes, local property taxes, and applicable permit and licensing fees associated with maintaining lawful, regulated structures. Outdoor advertising structures are fixed, long-term investments that contribute to local tax bases year after year. Adding yet another layer of taxation, particularly one targeted at a single class of speech-related commercial activity, is unwarranted and punitive.

H.F. 4343 creates an inequitable structure by selectively taxing certain advertising mediums while exempting others such as newspapers, magazines, radio, and television. If enacted, Minnesota would become an outlier in imposing a discriminatory tax that raises costs for some advertisers but not others, distorting the marketplace rather than fostering a level playing field.

At a time when many Minnesota businesses are still managing tight margins, the Legislature should avoid creating new cost pressures. Outdoor advertising remains one of the most accessible and affordable tools for business growth, economic development, and public messaging. H.F. 4343 undermines this important resource by raising prices for advertisers while offering no corresponding public benefit.

For these reasons, the Minnesota Outdoor Advertising Association respectfully urges the House Taxes Committee to oppose H.F. 4343. We stand ready to work with legislators on policies that support economic vitality without imposing harmful and uneven tax burdens on Minnesota businesses. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Daniel Franklin". The signature is written in a cursive, flowing style.

Daniel Franklin  
CEO Franklin Outdoor Advertising

President of the Minnesota Outdoor Advertising Association