



March 8, 2021

Dear Members of the Minnesota House Taxes Committee:

On behalf of the retailers across Minnesota I appreciate the opportunity to voice support for Chair Paul Marquart's HF 1679, adjusting remittance percentages for retailers subject to June Accelerated tax payments.

While Minnesota has worked over the past several decades to rely less on tactics that have been used to balance the budget by shifting revenues from one year to another, the early and estimated June Accelerated Tax payment made by retailers with yearly sales tax liabilities of over \$250,000 remains as one of the leftover budget balancing tools from the 1980s.

Over the years as the Legislature has looked to make small changes to the June Accelerated formula, we have frequently supported changing the \$250,000 threshold to reduce the number of retailers making early payments. At least seven times the Legislature has modified the percentage to be remitted, from the original 50 percent to 90 percent, with the current rate at 84.5 percent.

Chair Marquart has introduced an interesting concept of phasing down the percent remitted early based on the previous year's November forecast and we support this practical approach. The Legislature has discussed eliminating the June Accelerated payment nearly every budget year in recent memory. Absent a straight elimination of this policy, which would be our preference, a systematic approach to winding the percentage aid down to zero has merit.

Thank you for contemplating this policy change as you look to further remove Minnesota's budget shifts.

Sincerely,

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

Bruce Nustad  
President