



March 23, 2022

To: Rep. Paul Marquart, Chair, House Taxes Committee, and Rep. Greg Davids, Ranking Member

Re: Support of House File 3551 (Baker) Federal tax exclusion conformed to from restaurant revitalization grant gross income.

Dear Chair Marquart, Rep. Davids, and Members of the Committee:

The Minnesota Licensed Beverage Association (MLBA) represents Minnesota's small, family-owned liquor retailers, both on-sale (bars and restaurants) and off-sale (liquor stores).

The MLBA supports House File 3551 (Baker) Federal tax exclusion conformed to from restaurant revitalization grant gross income.

The American Rescue Plan Act established the Restaurant Revitalization Fund (RRF) to provide funding to help restaurants and other eligible businesses keep their doors open. This program provided many restaurants with funding equal to their pandemic-related revenue loss - and was a lifeline for thousands of businesses.

It is well documented how COVID-related mandatory shut-downs and restrictions have impacted the hospitality industry of bars, restaurants, and their employees, leaving them with little income, many job losses, and continued expenses and obligations. Many restaurants did not survive. The industry is still working to regain its footing, which will take years.

This bill is extremely important to Minnesota's hospitality industry and the bill is simple: it conforms Minnesota's state tax laws to the federal tax exclusion from gross income of the federal Restaurant Revitalization Grants.

The bill has received bipartisan support, and we are thankful to the House authors Representative Baker, Lislegard, Poston, and its companion bill, SF 3090, authored by senate authors Senator Bigham, Rest, and Dzedzic.

Thank you for your time and consideration and I am always available to provide perspective as to what our industry faces now and as we look forward.

Respectfully submitted,

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