



March 1, 2023

The Honorable Aisha Gomez
Minnesota House of Representatives
State Office Building Room 453
St. Paul, MN 55155

Chair Gomez and Members of the House Taxes Committee:

Thank you for the opportunity to provide comments on behalf of the Minnesota Business Partnership (MBP) regarding House File 1938. The MBP is comprised of more than 100 business leaders and top executives who collectively employ almost 500,000 Minnesotans.

On Monday February 27th, the Minnesota Department of Management and Budget (MMB) updated the state's economic forecast, estimating a \$17.5 billion surplus. MMB indicated in their analysis that two primary drivers of the growing surplus are higher than expected collections of individual income taxes and corporate taxes. While the state is already over collecting taxes from these two sources, House File 1938 proposes additional tax increases.

There is absolutely no rationale for raising taxes on Minnesota families and businesses when they are already overpaying – especially as they continue to face high inflation and economic uncertainty.

Minnesota currently ranks 6th highest for personal income tax rate and 2nd highest corporate tax rate in the country. By holding the line on new taxes and reducing the existing tax burden, we can improve Minnesota's competitiveness nationally and globally.

We support additional resources for boosting student reading outcomes, expanding early childhood scholarships, reducing crime, and improving infrastructure. With this historic surplus, we can make those investments and reduce taxes.

The MBP will continue to work with Governor Walz and lawmakers of both parties to enact policies supporting Minnesota families and businesses.

Thank you,

Gavin Hanson
Fiscal and Economic Policy Director
Minnesota Business Partnership