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March 29, 2022

House File 3967 (Davids)

Dear Chair Marquart and Members of the House Taxes Committee,

The National Federation of Independent Business (NFIB) is the largest small business organization in Minnesota, with over 10,000 members in every corner of the state. Over 75% of our members have fewer than 10 employees and our mission is to advocate for Main Street.

NFIB Minnesota supports House File 3967. Many small businesses are still struggling right now. In recent NFIB surveys, small employers are reporting enormous challenges: record inflation, chronic worker shortages, supply chain disruptions, skyrocketing energy costs, and more.

House File 3967 will help small businesses at no cost to the state. By updating the recently enacted pass-through entity tax filing option to include all income earned by a qualified owner, small businesses would be able to avail themselves of a greater federal tax deduction. Other states, including Wisconsin and Illinois, have already taken this approach.

We urge the committee to support this bill and continue building on the bipartisan work from last session to provide a little relief for small businesses.

Sincerely,

A handwritten signature in black ink, appearing to read 'John L. Reynolds', is written over a light blue horizontal line.

John L. Reynolds
Minnesota State Director
National Federal of Independent Business
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