



Dear Chair Gomez and members of the House Tax Committee:

Thank you for the opportunity to share our thoughts about the proposals related to expanding state tax exemptions for Social Security Benefits.

Minnesota is a long way from ensuring every Minnesotan, including every child, has what they need to thrive. We are hopeful that with the current budget surplus Minnesota can make significant strides towards realizing that goal, **starting with those in our state who have the least. By that measure, full exemption of social security from state income taxes that directs more than half of the benefit to households with income in excess of \$143,000 misses the mark.**

- When there are still **children living in significantly cost burdened households** where basic necessities like food or stable housing are out of reach, full exemption of social security from state taxes that directs half of the benefit to households making in excess of \$143,000 misses the mark.
- When many **seniors have significant unmet basic needs** for medications, food, housing and other supports, full exemption of social security from state taxes that directs half of the benefit to households making in excess of \$143,000 misses the mark.
- When **people living with disabilities, young children and people needing healthcare don't have access to the care** they need due to low pay and benefits in the caring professions, full exemption of social security from state taxes that directs half of the benefit to households making in excess of \$143,000 misses the mark.

With a structural ongoing budget surplus of \$5 billion, we know that there is not enough to make all of the investments needed to ensure Minnesotans – from babies to elders – thrive. **Taking \$1.2 billion off the table for a benefit that flows almost exclusively (97%\*) to those that can meet basic needs when so many others can't misses the mark.**

Please consider a balanced approach that prioritizes investments in households across the age spectrum that have the least.

Sincerely,  
Debra Fitzpatrick  
Director Policy and Research

\*The average cost of living in Minnesota for a two-person household (age 51+) is \$45,000; while for a one-person household it's \$35,000. Only 3% of the full social security exemption tax cuts go to households with income less than \$60,000.