



March 18th, 2024

Chair Gomez, Rep. Brand, House Taxes Committee Members thank you for allowing me to testify in support of HF4486. Thank you Representative Brand for authoring and leading this issue.

My name is Betsy Wentz. I am a produce farmer in Cannon Falls, MN, growing 2 acres of local organic vegetables which we sell direct-to-consumer at farmers' markets and to coops, restaurants, and schools in southeastern Minnesota. I am also a registered cottage food producer and a farmers market manager at Riverwalk Market Fair in Northfield, serving more than 160 vendors. As a market manager, I help more than 40 cottage food producers per summer make sure they are compliant with local laws and regulations. Minnesota's cottage food exemption is a huge boon to businesses throughout the state and helps to support so many families including my own. As a farmer, having the ability to turn unsold produce into pickles, salsa, tomato sauce, and jam is a fabulous way to combat food waste and give new life to produce otherwise destined for the compost pile.

One thing that doesn't work well with Minnesota's cottage food law is the sales tax . It is unnecessarily complicated. Spaghetti sauce is not taxed but salsa using the same ingredients - tomatoes, onions, peppers, garlic - is taxed. Cupcakes are not taxed but put those same cupcakes on a stick and call them cake pops, suddenly they are taxed. Pickles? Not taxed. Jam? Taxed. I hand a customer a fork? Taxed. The customer picks up their own fork from a bin on my table? Not taxed. As a market manager, I often spend time helping non-English and English as a second language speakers become licensed and field questions all season long about what is allowed, what requires taxes, and how to be sure businesses are operating within the bounds of the law. It is challenging to explain these tax rules to any cottage food producer, but is especially complicated with a language barrier. Minnesota Statutes section 297A, 67, subdivision 2 provides that "food and food ingredients" are exempt from Minnesota sales tax, this means none of these items are taxed in Minnesota grocery stores because Minnesota deems food a necessity for all. Shouldn't local food be just as necessary, if not more so? I urge you to support [HF4486](#) to support small businesses throughout the state.

Thanks for your time and I'm happy to answer any questions you have.

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