



May 2, 2023

The Honorable Melissa Wiklund  
Chair, Senate Health and Human Services Committee  
2227 Minnesota Senate Bldg.  
St. Paul, MN 55155

The Honorable Tina Liebling  
Chair, House Health Finance and Policy Committee  
477 State Office Building  
St. Paul, MN 55155

CC: Conference Committee Members

**RE: SF 2995 – 988 Funding**

Dear Chair Wiklund, Chair Liebling, and members of the conference committee:

On behalf of CTIA®, the trade association for the wireless communications industry, I write to support the House position appropriating over \$17 million from the general fund for activities to support the 988 lifeline system. CTIA and its member companies support the designation of 988 as the three-digit dial for the National Suicide Prevention Lifeline. CTIA member companies have implemented network changes to ensure Americans can dial 988 when in crisis right now.

CTIA and its members understand the importance of a workable state 988 funding framework that includes state appropriations, federal funds, and the option of 988 taxes. From the outset, it is important to note that most states implementing 988 are utilizing general fund appropriations and federal contributions for funding as opposed to enacting a new tax on their residents. In the past two years, over 30 states chose to either appropriate general fund revenue and utilize federal funds or study the issue further. In addition, during this time of economic uncertainty and increased costs impacting day-to-day living, enacting a new tax for 988 will especially affect working families and other Minnesotans facing financial challenges. For these reasons, we would encourage the Legislature to use state appropriations and federal funds to support the 988 program.

Wireless consumers in your state already pay over 10 percent of their cell phone bills in state and local taxes and fees, and nearly 23 percent in combined federal and state taxes.<sup>1</sup> These types of fees are highly regressive. When cell phones are the gateway to the internet for many Minnesota residents,

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<sup>1</sup> Hoffer, Adam, and Scott Mackey. Tax Foundation, 2022, Excise Taxes and Fees on Wireless Services Increase Again in 2022, <https://taxfoundation.org/wireless-taxes-cell-phone-tax-rates-by-state-2022/>. Accessed 13 Jan. 2023.



overburdening consumers with more taxes and fees may detrimentally affect their continued connectivity. Additionally, in the February 2023 Budget and Economic Forecast, Minnesota recorded a record budget surplus of nearly \$17.5 billion.<sup>2</sup> Considering this recent windfall of state funds, CTIA would recommend Minnesota utilize state appropriations and existing federal funds to support the 988 Fund – as opposed to a new tax.

The wireless industry looks forward to continuing to work with federal and state entities to ensure successful implementation of 988 to help our fellow Americans experiencing a mental health crisis. CTIA encourages Minnesota to utilize the state’s historic budget surplus to allocate general fund revenue and utilize federal funds to support 988 before enacting a new regressive tax on Minnesotans. We want to commend the 988 bill sponsors for their work and thank them for working with us on this important issue. Thank you for your consideration.

Sincerely,

Jake Lestock  
Director  
State Legislative Affairs

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<sup>2</sup> Minnesota Management and Budget. “Budget and Economic Forecast.” Feb. 2023. <https://mn.gov/mmb-stat/000/az/forecast/2023/budget-and-economic-forecast/february.pdf>.