



March 5, 2026

Governor Tim Walz  
Lt. Governor Peggy Flanagan  
Members of the Minnesota Senate  
Members of the Minnesota House

To the Honorable Governor Tim Walz, Lt. Governor Peggy Flanagan, and members of the Minnesota Legislature:

On behalf of the Minnesota Council of Nonprofits and the Minnesota Budget Project, and 65 organizations across the state, we ask for your support to ensure critical public services that Minnesotans count on are protected and expanded as the state responds to unprecedented federal funding cuts and harmful policy changes impacting the state in the face of anticipated future budget shortfalls.

We are united in our call for state leaders to:

- Take bold action to prioritize and protect Minnesotans' health and economic well-being;
- Ensure Minnesotans' access to health care, food support, and other public services, regardless of their immigration status or other identities or circumstances beyond their control; and
- Raise revenues, especially from those with the most resources, in order to replace lost federal funding, protect crucial services and meet Minnesotans' needs.

In 2026, Minnesotans are facing ongoing challenges with rising costs and economic uncertainty. Nonprofit organizations and local governments are bracing for the impact of federal cuts and harmful policy changes to Medicaid and the Supplemental Nutrition Assistance Program (SNAP) passed in the federal budget reconciliation bill, as well as other federal cuts to affordable health insurance and other public services.

We call for a sensible approach to prevent increased hardship across the state in the aftermath of a federal budget reconciliation bill that cut crucial services in order to provide large tax cuts to high-income households while doing little to address the challenges of everyday Minnesotans trying to get by.

Without strong state action, tens of thousands of Minnesotans could lose their health care. There will be unsustainable cost shifts to health care providers and hospitals that put Minnesotans' access to care at risk. And tens of thousands of Minnesotans could go hungry. These are just some examples of the increased hardship and challenges that communities in every part of the state are facing.

The state needs to step up for Minnesotans that the federal government would leave behind. And we need state revenues to do that.

As we face these challenges, we recognize that Minnesota is a state of abundance. We also know that all of us benefit when everyone has what they need to thrive. We know that by rising together across race and place -- from Bemidji to bluff country, from the North Shore to southwestern prairies -- Minnesotans can reimagine the future we deserve.

As a community of nonprofit organizations, we understand the essential role public services play in building thriving families and communities. We envision a future where every community has health care, child care, clean air and water, safe housing, and good schools, and where folks navigate their days without fear and with freedom.

We ask you for bold leadership. Protect and invest in our shared public services so we can continue the caring and collective work it takes to create safe, healthy neighborhoods and towns all across our state.

Signed,



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and the undersigned organizations:

Accord  
ACDA-MN  
AFSCME 65  
Alexandra House  
AmazeWorks  
Amherst H. Wilder Foundation  
Ampersand Families

Animal Humane Society  
Arcata Press | Saint Paul Almanac  
Art Buddies  
Articulture  
Children's Defense Fund Minnesota  
CornerHouse  
Cornerstone Advocacy Service

Doctors for Early Childhood  
EVOLVE Family Services  
Exodus Lending  
Face to Face Health & Counseling  
Feeding Our Communities Partners  
Five Wings Arts Council  
Genesys Works Twin Cities  
Great River Homes, Inc.  
Headwaters Foundation for Justice  
Headwaters School of Music and the Arts  
HOME Line  
Impact MN  
Impact Now Consulting  
League of Women Voters of Minnesota  
Legal Services Advocacy Project  
Mary T. Associates  
Midwest Food Connection  
Minnesota Alliance on Problem Gambling  
Minnesota Association of Community Mental  
    Health Programs  
Minnesota Children's Alliance  
Minnesota Consortium of Community Developers  
Minnesota Doctors for Health Equity  
MN350 Action  
MRCI  
Neighborhood Development Alliance, Inc.

NEXT in Nonprofits  
Northeast Contemporary Services, Inc.  
Organic Academia Association  
Our Justice  
Our Saviour's Community Services  
Parenting Resource Center, Inc.  
People Serving People  
Planned Parenthood of North Central States  
Prepare+Prosper  
PRISM  
Reach for Resources, Inc.  
Rebuilding Together Minnesota  
Small Sums  
Tasks Unlimited  
The Arc Minnesota  
The Bakken  
The Dotted Line Collaborative  
TSE Inc.  
Twin Cities Jazz Festival  
United Hmong with Disabilities Inc  
United Way of Carlton and Pine County Area  
Valley Outreach  
Victoria Legacy Family Center  
Washburn Center for Children  
Webber Camden Neighborhood Organization  
YWCA Minneapolis

March 23, 2026

Representative Aisha Gomez, Co-Chair  
Representative Greg Davids, Co-Chair  
Minnesota House Tax Committee Members

Dear Co-Chair Gomez, Co-Chair Davids, and members of the Committee:

Clear Channel Outdoor is in strong opposition to H.F. 4343, which would impose sales tax on certain digital and non-digital advertisements.

Clear Channel Outdoor offers important marketing options to advertisers through billboards and digital out-of-home displays in the Twin Cities and throughout Minnesota. Businesses of all sizes utilize these marketing strategies to connect with consumers and to expand business growth. Our advertising provides cost-effective visibility that allows businesses to reach local, relevant audiences.

The imposition of a new sales tax on billboards and advertising will have a devastating effect on the cost of doing business in Minnesota. H.F. 4343 would have the direct effect of increasing costs on Minnesota businesses further eroding their economic competitiveness. Taxing advertising makes it more expensive for a business to market, which disproportionately harms small businesses who rely on advertising to reach new customers and compete with established companies. Furthermore, as businesses pass on these new taxes, consumers would ultimately bear the increased costs of higher prices for goods and services. These higher prices can stall growth, reduce sales, and lead to lower employment.

In singling out the advertising sector H.F. 4343 results in discriminatory taxation. Proposed new taxes on advertising raises serious potential conflicts with the application of the Commerce Clause and First Amendment of the U.S. Constitution.

Clear Channel Outdoor urges that the Committee oppose H.F. 4343.

Respectfully Submitted,



Daryl Hall  
SVP – Tax

CC: Representative Liz Lee





## **OUTDOOR ADVERTISING COMPANY OF DULUTH**

**March 23, 2026**

**Dear Chair Gomez, Chair Davids, and members of the House Tax Committee**

On behalf of Lamar Advertising, a Minnesota resident and the broader Minnesota business community, I am writing to express my **strong opposition to H.F. 4343**. This bill inadvertently targets the engine of our local economy: small and mid-sized Minnesota businesses.

In Minnesota, **94% of our advertisers are local businesses**. These are the hardware stores, family-owned restaurants, and local service providers that form the backbone of our communities. For these employers, advertising is not a luxury—it is a critical "business input" necessary to reach customers and survive in an increasingly competitive market.

We oppose H.F. 4343 for the following reasons:

### **1. Disproportionate Impact on Local Small Businesses**

H.F. 4343 essentially creates a "**Small Business Tax**" by making it 6.375% more expensive for a local shop to compete with a national giant.

### **2. Economic Distortion and "Tax Pyramiding"**

Taxing advertising services violates a fundamental principle of sound tax policy: sales taxes should be levied only on the final sale to a consumer. By taxing the *advertising* (a business input) and then taxing the *product* sold because of that advertising, the state is effectively "pyramiding" taxes. This forces Minnesota employers to either raise prices for consumers or reduce their workforce to offset the increased cost of doing business.

### **3. Threat to Employment and Growth**

Minnesota's advertising and marketing agencies are significant employers. By making these services more expensive, H.F. 4343 will drive business out of state to agencies in North Dakota, South Dakota, or Wisconsin, where these services are not taxed.

### **4. Unfair Industry Exemptions**

While the bill exempts traditional mediums like newspapers and radio, it creates an uneven playing field by targeting digital and out-of-home advertising. Picking winners and losers among media formats stifles innovation and punishes businesses that have struggled to employ and grow in an industry that is already highly regulated.



## **OUTDOOR ADVERTISING COMPANY OF DULUTH**

### **Conclusion**

H.F. 4343 is a regressive step that penalizes Minnesota's local employers and threatens our state's economic competitiveness. At a time when businesses are already navigating high operating costs, adding a new tax on their ability to find customers is counterproductive.

We respectfully urge you to **vote "NO" on H.F. 4343** and protect the local advertisers that keep Minnesota's economy moving.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Harrold".

Matt Harrold

GM Lamar Advertising

Home Address:

1828 Ponderosa Ave.

Duluth, MN 55811

# Minnesota Outdoor Advertising Association

March 22, 2026

H.F. 4343 (Lee) Advertising services tax imposed.

Dear Chair Gomez, Chair Davids, and members of the House Taxes Committee

On behalf of the Minnesota Outdoor Advertising Association, whose member companies operate out of home advertising assets in communities across Minnesota, we write to express our strong opposition to H.F. 4343, legislation that would impose a new state sales tax on advertising services, including the production of billboard advertising.

We are concerned that this proposed tax is both unnecessary and harmful to the thousands of Minnesota businesses that rely on cost-effective advertising channels. Outdoor advertising is a vital tool for local retailers, small service providers, community institutions, and nonprofits. By taxing the production of billboard advertisements, H.F. 4343 will inevitably increase the cost of advertising for these businesses, reducing their ability to reach customers and compete in Minnesota's economy. Because billboard operators must pass through the cost of compliance with any new tax, the burden falls not on the companies providing the signage but on the Minnesota businesses purchasing advertising space.

It is also important to emphasize that the outdoor advertising industry is already contributing its fair share through existing taxes at every level of government. Billboard companies pay substantial federal income taxes, state corporate taxes, local property taxes, and applicable permit and licensing fees associated with maintaining lawful, regulated structures. Outdoor advertising structures are fixed, long-term investments that contribute to local tax bases year after year. Adding yet another layer of taxation, particularly one targeted at a single class of speech-related commercial activity, is unwarranted and punitive.

H.F. 4343 creates an inequitable structure by selectively taxing certain advertising mediums while exempting others such as newspapers, magazines, radio, and television. If enacted, Minnesota would become an outlier in imposing a discriminatory tax that raises costs for some advertisers but not others, distorting the marketplace rather than fostering a level playing field.

At a time when many Minnesota businesses are still managing tight margins, the Legislature should avoid creating new cost pressures. Outdoor advertising remains one of the most accessible and affordable tools for business growth, economic development, and public messaging. H.F. 4343 undermines this important resource by raising prices for advertisers while offering no corresponding public benefit.

For these reasons, the Minnesota Outdoor Advertising Association respectfully urges the House Taxes Committee to oppose H.F. 4343. We stand ready to work with legislators on policies that support economic vitality without imposing harmful and uneven tax burdens on Minnesota businesses. Thank you for your consideration.

Sincerely,



Daniel Franklin  
CEO Franklin Outdoor Advertising

President of the Minnesota Outdoor Advertising Association