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March 11, 2026

House Files 3816 (Witte)

Chair Davids, Chair Gomez and House Tax Committee Members -

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses across Minnesota. Our mission is to promote and protect the rights of our members to own, operate, and grow their businesses.

NFIB appreciates the opportunity to testify in support of House Files 3816, which seeks to conform Minnesota's tax code to federal changes that were recently made to Research & Experimentation (R&E) expensing.

Prior to 2022, businesses were allowed to immediately deduct R&E expenses in the year that those expenses were incurred. Since then, businesses were required to spread out the deduction over five years. This led to a higher tax burden for companies investing in R&E. The federal tax bill returned to the pre-2022 standard, and businesses can now immediately deduct R&E expenditures. Conforming to this immediate deduction will allow small businesses to improve, upgrade, and innovate new products and services.

We respectfully ask that the committee support House Files 3814 and 3817. Thank you for the opportunity to provide comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Boesche".

Jon Boesche

Minnesota State Director
National Federation of Independent Business