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April 4, 2022

House File 3669-A22 (Marquart)

Dear Chair Marquart and Members of the House Taxes Committee,

The National Federation of Independent Business (NFIB) is the largest small business organization in Minnesota, with over 10,000 members in every corner of the state.

NFIB Minnesota appreciates the inclusion of certain provisions in HF 3669-A22.

Pass-Through Entity Filing: this no-cost update modifies the recently enacted pass-through entity tax filing option to include all income earned by a resident partner. As a result, some small businesses may be able to avail themselves of a greater federal tax deduction.

School Bond Agricultural Credit Increase: raising credit to 85 percent for 2024 and beyond will provide needed relief for family farmers in Greater Minnesota.

Pandemic Relief: additional funding for the county pandemic business aid program and additional state tax exemptions for federal pandemic relief funds will help facilitate the recovery for affected small businesses.

Many small employers are still struggling right now. In recent NFIB surveys, small employers are reporting enormous challenges: record inflation, chronic worker shortages, supply chain disruptions, skyrocketing energy costs, and more.

In light of these serious challenges and the chronically high tax burden in Minnesota, we urge greater consideration of long-term general tax relief for small businesses across the state.

We look forward to working with Chair Marquart as this bill moves through the process.

Sincerely,

A handwritten signature in black ink, appearing to read 'John L. Reynolds', is written over a light blue horizontal line.

John L. Reynolds
Minnesota State Director
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