

Next Generation Main Street Act

Helping Small Businesses Thrive

Omnibus bill: HF2681 (Thissen) / SF2914 (Franzen)

Supporting Small Business Start-Ups & Entrepreneurs

Starting and running a small business is complicated. Minnesota has a number of resources available to assist small businesses. But often small businesses who don't have the same level of staff as larger corporations aren't aware of the tools at their disposal and are disadvantaged as a result. The proposal would support business start-ups and entrepreneurs by:

Making sure that every single person that starts a small business in Minnesota is contacted and provided information about the resources available to them to navigate sometimes complicated regulatory requirements as well as potential development loans, grants, and technical expertise. HF3388 (Masin)/SF2679 (Jensen)

Assisting business start-ups with gap financing through the Minnesota Initiative Foundations. These loans can help leverage additional investments in new businesses. HF3138 (Persell)/SF3157 (Saxhaug)

Help with Succession Planning

Small businesses are critical to the health of communities all across our state. But too often those businesses face closure not because the business is failing, but rather because the owner cannot find a successor when there is not a family member to whom to transfer the business. This proposal would help those businesses and those communities by:

Providing grants to Small Business Development Centers to provide transaction services to business owners and next generation, non-family proprietors to help them take over a business. HF2728 (Lien)/SF2730 (Rest)

Assisting with succession planning, helping match rural business owners looking to exit their business with business managers looking to buy and run their own business. This concept has proved successful in Nebraska.

Providing additional funding to Minnesota Initiative Foundations who help provide gap financing to maintain existing businesses as they transition to new ownership. HF3138 (Persell)/SF3157 (Saxhaug)

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Streamline Audits

Every small business owner wants to do the right thing, but our tax laws can be complicated. The proposal would streamline and simplify the process to reduce the amount of time and money small business owners must spend on costly audits by: **HF2876 (Rosenthal)/SF2906 (Franzen)**

Changing statutes so the Department of Revenue “may” rather than “must” assign penalties.

Waiving penalties for minor or inadvertent compliance issues (less than \$50).

Not penalizing businesses for actions taken in reliance on a previous audit.

Authorizing the Department of Revenue to issue private letter rulings to allow small businesses to get advice in advance of an audit rather than after the fact.

Simplify Tax Filing for Small Businesses

State and federal tax changes make tax season complicated each year for businesses. The proposal would simplify tax filing for small businesses by:

Enacting federal tax conformity so that Minnesota businesses can file taxes without delay and uncertainty in 2016. **HF2875 (Rosenthal)/SF2436 (Rest)**

Making tax conformity automatic so that the annual uncertainty over what rules apply for state taxpayers is eliminated.

Fully conform on section 179 expensing, easing tax filing burdens and providing tax relief to small businesses and farmers on their capital purchases.

Simplifying sales tax compliance and lowering costs by providing a refund for costs that a small business might incur by using a third party vendor or automated system to collect and remit the tax on their behalf.

HF3089 (Applebaum)/SF3223 (Hoffman)

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