

# Don't penalize business for pandemic unemployment

Legislators will debate how to repay the depleted Unemployment Insurance Trust Fund this legislative session. But businesses shouldn't be penalized and taxed to repay the state's unemployment debt while still recovering from the COVID-19 pandemic. Especially when federal and state funds were and are available to cover this pandemic-related expense.

**FACT**

Minnesota's Unemployment Trust Fund faces a **\$1.13 billion deficit.**

**FACT**

Lawmakers have a **\$7.7 billion budget surplus.**

**FACT**

Lawmakers have over **\$1 billion in federal funds and billions in reserves.**

When businesses were shut down early in the pandemic, hundreds of thousands of workers accessed unemployment insurance. By May of 2020, unemployment hit a record high 11.3%, and the state's unemployment insurance system processed nearly 800,000 applications. This emptied the Unemployment Insurance (UI) Trust Fund that now has a deficit of over \$1 billion. At the same time, relief funds flooded into the state. The federal Coronavirus Aid, Relief and Economic Security (CARES) Act provided \$2 billion and the federal American Rescue Plan Act (ARPA) provided \$2.83 billion, to help with pandemic related expenses. Most other states - 31 of them, to be exact - used relief funds to replenish unemployment. But Minnesota didn't use a dime for this purpose.



**If policymakers don't act, employers will be hit with double digit payroll tax increases.**



## The Legislature must act

- Use existing funds to repay the state's unemployment insurance debt



Albert Lea-Freeborn County Chamber of Commerce  
 Alexandria Lakes Area Chamber of Commerce  
 Apple Valley Chamber of Commerce  
 Associated Builders and Contractors  
 Associated General Contractors of Minnesota  
 Austin Area Chamber of Commerce  
 Bemidji Area Chamber of Commerce  
 Brainerd Lakes Area Chamber of Commerce  
 Builders Association of Minnesota  
 Builders Association of the Twin Cities  
 Building Owners & Managers Association (BOMA) St. Paul  
 Burnsville Chamber of Commerce  
 Cloquet Area Chamber of Commerce  
 Cuyuna Lakes Chamber of Commerce  
 Dakota County Regional Chamber of Commerce  
 Duluth Area Chamber of Commerce  
 Eden Prairie Chamber of Commerce  
 Elk River Area Chamber and Commerce  
 Faribault Area Chamber of Commerce & Tourism Bureau  
 Fergus Falls Area Chamber of Commerce  
 Grand Rapids Area Chamber of Commerce  
 Greater Minneapolis Building Owners and Managers Association  
 Greater Stillwater Chamber of Commerce  
 Greater St. Paul Building Owners and Managers  
 Hastings Area Chamber of Commerce & Tourism Bureau  
 Hibbing Area Chamber of Commerce  
 Hospitality Minnesota  
 Housing First  
 Insurance Federation of Minnesota  
 International Falls Area Chamber of Commerce  
 Iron Mining Association of MN  
 Lake City Area Chamber of Commerce  
 Lakeville Area Chamber of Commerce & CVB  
 Laurentian Chamber of Commerce  
 Litchfield Chamber of Commerce  
 Marshall Area Chamber of Commerce  
 Medical Alley Association  
 Metalcasters of Minnesota  
 MetroNorth Chamber of Commerce  
 Midwest Food Processors Association  
 Minnesota AgriGrowth Council  
 Minnesota Association of Public Accountants  
 Minnesota Auto Dealers  
 Minnesota Bankers Association  
 Minnesota Beverage Association  
 Minnesota Business Partnership  
 Minnesota Chamber of Commerce  
 Minnesota Chamber of Commerce Executives  
 Minnesota Child Care Association

Minnesota Contractors of the National Electrical  
 Contractors Association  
 Minnesota Drywall & Plaster Association  
 Minnesota Environmental Contractors Association  
 Minnesota Floorcovering Contractors Association  
 Minnesota Forest Industries  
 Minnesota Grocers Association  
 Minnesota High Tech Association  
 Minnesota Mechanical Contractors  
 Minnesota Milk Producers Association  
 Minnesota Nursery & Landscape Association  
 Minnesota Painting and Wallcovering Employers Association  
 Minnesota Pork Producers Association  
 Minnesota REALTORS  
 Minnesota Recruiting and Staffing Association  
 Minnesota Retailers Association  
 Minnesota Service Stations and Convenience Stores  
 Minnesota Shopping Center Association  
 Minnesota Ski Areas Association  
 Minnesota Society of CPAs  
 Minnesota Subcontractors Association  
 Minnesota Telecom Alliance  
 Minnesota Trucking Association  
 Minnesota Utilities Contractors Association  
 Minnesota Utility Investors  
 Minnesota Mechanical Contractors Association  
 Minnesota Precision Manufacturing Association  
 NAIOP Minnesota  
 National Federation of Independent Business  
 National Shooting Sports Foundation  
 New Ulm Area Chamber of Commerce  
 Northfield Area chamber of Commerce  
 Owatonna Area Chamber of Commerce & Tourism  
 Pipestone Area Chamber of Commerce & CVB  
 River Heights Chamber of Commerce  
 Rochester Area Chamber of Commerce  
 Shakopee Chamber & Visitors Bureau  
 SouthWest Metro Chamber of Commerce  
 St. Cloud Area Chamber of Commerce  
 The Chamber Grand Forks & East Grand Forks  
 Thermal Insulation Contractors Association  
 Tri-State Manufacturers' Association  
 Twin Cities North Chamber of Commerce  
 Waconia Chamber of Commerce  
 White Bear Area Chamber of Commerce  
 Willmar Lakes Area Chamber of Commerce  
 Winona Area Chamber of Commerce  
 Woodbury Area Chamber of Commerce  
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