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March 2, 2022

## Senate File 3334 (Nelson)

Dear Chair Nelson and Members of the Senate 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. Over 75% of our members have fewer than 10 employees and our mission is to advocate for Main Street businesses.

NFIB Minnesota supports Senate File 3334. Many small businesses are still struggling right now. In recent NFIB surveys, a third of small businesses report that sales are still well below pre-pandemic levels and over half have lost sales due to worker shortages.

Labor scarcity and quality is a persistent problem for small businesses. In January, <u>nearly a quarter of small businesses</u> reported labor quality as their top business problem. <u>Forty-seven percent</u> of small business reported job openings they cannot fill.

Senate File 3334 would provide flexible, meaningful assistance for small employers seeking to fill openings with applicants who require training. This better enables small businesses to bring on new entrants into the workforce or those transitioning from another line of employment. It will also be more accessible to small employers who are unfamiliar with or lack the resources to seek state grants.

Lastly, we appreciate the inclusion of a sunset to ensure the Legislature re-examines the effectiveness of this tax credit.

Sincerely,

John L. Reynolds

Minnesota State Director

National Federal of Independent Businesses

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