



March 10, 2022

RE: SF 3090 (Bigam) Restaurant Revitalization Grants – Federal conformity

Chair Nelson and Members of the Senate Tax Committee,

We thank Senator Bigam for authoring this bill and for the opportunity to submit written testimony. We urge your support of this bill to enact important federal conformity tax provisions for the restaurant industry.

The restaurant industry was especially hard-hit from the COVID-19 pandemic and related shutdowns that were enacted to slow the spread of the virus. It is critically important for Minnesota to update our tax laws so we do not impose a state income tax hit on this federal assistance. Many of these businesses are still struggling and have not fully recovered from the pandemic closures and restrictions. In addition, these employers are facing record inflation, worker shortages and supply chain challenges.

We would also encourage the committee to include other important federal conformity items for other hard hit industries and businesses including conformity for venue grants and SBA loans.

Thank you for your support. Early passage would be beneficial so that taxpayers are not left with this uncertainty over their tax liability for their 2021 taxes and required to pay the state income tax and then wait for a refund.

Sincerely,

A handwritten signature in black ink that reads "Beth Kadoun".

Beth Kadoun
Vice President, Tax and Fiscal Policy
Minnesota Chamber of Commerce