



March 24, 2022

Chair Carla Nelson
95 University Ave W.
Minnesota Senate Building, Room 3235
St. Paul, MN 55155

Dear Chair Nelson and Senate Taxes Committee members,

The Minnesota Council of Nonprofits (MCN) is the largest statewide association of nonprofits in the country, representing over 2,300 member organizations across the state. Through MCN, nonprofits join together across interest areas to work on issues of common interest to all. MCN works to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector.

MCN believes that the resources available in this legislative session should be used to respond to the ongoing health and economic impacts of the pandemic, address long-standing disparities and areas of disinvestment, and build a stronger, more equitable recovery.

In particular, we support policies that work toward supporting and rebuilding a thriving and more equitable nonprofit sector, including the sales tax exemption for construction materials, Senator Nelson's Nonprofit Relief Fund, a state paid family and medical leave program (PFML), and inclusion of culturally-specific nonprofits in a bonding package.

MCN is writing in support of SF 3692, specifically the sales tax exemption for construction materials, found in Article 3, Section 1. This legislation would provide an important support for the nonprofit sector following two years of a pandemic with unpredictable funding streams. The proposal would allow nonprofits and local governments to submit a tax refund claim on construction materials for building, construction, reconstruction materials, and supplies used. This policy change will strengthen nonprofits' capacity to advance their charitable mission, as they will no longer have to allocate sales tax in their construction projects cost.

If you have any questions, please contact Ileana Mejia, public policy advocate, at the Minnesota Council of Nonprofits at 651-757-3072 or imejia@minnesotanonprofits.org. Thank you for your continuing partnership as we work together to serve the communities of Minnesota.

Sincerely,

Handwritten signature of Marie Ellis in cursive.

Marie Ellis
Public Policy Director

Handwritten signature of Ileana Mejia in cursive.

Ileana Mejia
Public Policy Advocate