



March 30, 2023

RE: SF 2566 (Port) Omnibus housing bill – Sales tax increase

Chair Port and Members of the Senate Housing and Homelessness Prevention Committee,

The Minnesota Chamber is a statewide organization representing more than 6,300 businesses of all sizes employing more than half a million employees. We support policies to best position our state for future success by advancing a competitive business climate to encourage a growing economy through increased private sector investment, entrepreneurship, and talent recruitment and retention.

We are certainly supportive of providing additional resources and enacting regulatory reforms to encourage greater availability of affordable housing. However, we do not support raising taxes on Minnesota taxpayers when Minnesota has a record budget surplus of \$17.5 billion and considering Minnesota also imposes a higher tax burden than many other states. The state also has a large budget surplus in the next biennium of \$5.4 billion that already assumes a 7% spending growth of nearly \$4 billion under current law.

There are \$5.5 billion of tax increases (FY 26/27 tally when fully implemented) currently being advanced in other committees this includes 0.75% sales tax rate increase in the transportation bill; a new payroll tax of 0.7% totaling \$2.9 billion in FY 26/27 for the paid leave mandate; a new delivery fee of 75 cents; and increased motor vehicle license tabs fees just to name a few. Please consider the cumulative impact of the other tax increases that are also being proposed greatly impacting taxpayers and increasing the cost of doing business in our state.

We would urge you to remove the regressive sales tax rate increase. This increased investment in housing can be accomplished within current budget resources without raising taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth Kadoun", is positioned below the "Sincerely," text.

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