



January 4, 2023

The Honorable Ann H. Rest, Chair
Senate Tax Committee
328 Capitol
St. Paul, MN 55155

The Honorable Bill Weber, Republican Lead
Senate Tax Committee
2211 Minnesota Senate Bldg.
St. Paul, MN 55155

Dear Chair Rest, Republican Lead Weber, and Members of the Committee:

Students United is the statewide student association representing all future, current, and former Minnesota State students attending the seven Minnesota State universities: Bemidji State University, Minnesota State University – Moorhead, Minnesota State University – Mankato, Metropolitan State University, Southwest Minnesota State University, St. Cloud State University, and Winona State University.

This summer, President Biden and the U.S. Department of Education announced plans to cancel \$10,000 in student loan debt for borrowers earning \$125,000 or less per year. This decision also included an additional \$10,000 in forgiveness for borrowers who received Pell grants.

As an organization, Students United has long advocated for student-borrower relief and is committed to pursuing greater equity and opportunity within higher education. President Biden's program represented significant progress towards that goal and was welcome news for the more than 43 million Americans burdened by student loan debt.

Unfortunately, President Biden's program is currently being challenged in Court and the initiative has been paused until a final ruling can be rendered. If and when the pause is lifted, this loan forgiveness will be taxable income in Minnesota if action is not taken. That is why Students United is in strong support of [SF25](#), which would exempt forgiven student loan debt from taxable income in Minnesota.

Like relief offered through the Paycheck Protection Program that was exempted from state tax during last year's legislative session, we encourage state lawmakers to act and prevent this targeted relief from becoming an unexpected tax hike on student loan-holders. We are grateful for the leadership of Representative Gomez and Senator Rest in bringing this critical legislation forward, and we urge members to support this effort.

Sincerely,
State Chair, Kaileigh Weber