



380 St. Peter St. Ste. 750
St. Paul, MN 55101

651-293-1283
NFIB.com/MN
Twitter: @NFIB_MN

April 16, 2024

Senate File 3789 (Rest)

Dear Chair Rest and Senate Taxes Committee Members,

The National Federation of Independent Business (NFIB) represents more than 10,000 small businesses across Minnesota. Our mission is to promote and protect the right of our members to own, operate, and grow their businesses.

NFIB is pleased to support Senate File 3789, which establishes a vendor allowance for retailers and sellers who collect state sales tax. In addition to paying half of all sales tax collected in our state, Main Street businesses also act as the state's sales tax collection agent. This costs mom-and-pop shops time and money.

Senate File 3789 recognizes the burden facing small business owners from obligations imposed on them by the state and provides much needed relief. We appreciate that the bill reserves the largest allowance for smaller businesses, as NFIB's average member reports \$500,000 in yearly sales.

Small businesses are facing significant headwinds right now. In the most recent edition of NFIB's Small Business Economic Trends, small business optimism dropped to the lowest level since 2012. Twenty-five percent of small business owners report that inflation is their single biggest problem and an additional 28% report labor quality or labor costs as the single biggest problem. The report shows many small businesses are expecting sales to decline in the coming months, openings remain hard to fill, and plans to hire are slowing.

In light of the obstacles facing small business owners, we urge committee members to support the important financial relief provided in Senate File 3789.

Sincerely,

A handwritten signature in dark ink, appearing to read "John L. Reynolds", with a stylized, flowing script.

John L. Reynolds
Minnesota State Director
National Federation of Independent Business
john.reynolds@nfib.org