



January 28, 2025

Dear Members of the Senate Taxes 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 support Senate File 46 and thank Chair Rest for her authorship of this bill which is part of a multi-state effort to enact a uniform threshold requirement for traveling employees.

SF 46 is an important initiative to adopt model state legislation to reduce compliance burdens and to better reflect our interconnected mobile economy. The modern workforce isn't stationary and employees who travel outside their states for business are subject to onerous administrative burdens as they may be legally required to file income taxes in every state in which they traveled. In some states, those tax requirements can be triggered if they were there for only one day. Minnesota currently utilizes a wage threshold. However, a wage threshold can create confusion as it is not necessarily simple or easy to calculate "dollars" earned while traveling while a day approach is much more straight-forward.

Although this bill is focused on non-residents, it will also help Minnesota employees traveling to other states by reducing tax complexity and compliance burdens for both employees and employers since its non-resident filing provision will only be available for states that have adopted a similar provision.

This approach is similar to other proposals Minnesota has successfully adopted such as the Streamlined Sales Tax initiative where states have joined together to adopt model legislation to reduce tax compliance costs and burdens.

We urge your support for this bill.

Sincerely,

Brian Cook
Director of Taxes, Fiscal Policy, and Elections