



February 18, 2025

Senator Ann Rest
Minnesota State Senate
75 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

Re: Senate File 735

Dear Chair Rest and Members of the Senate Tax Committee,

It is undeniable that access to reliable, high speed internet service has become an essential service of modern society. The COVID-19 pandemic underscored how critical broadband is to the nation's economy, enabling hard working Americans everywhere to work remotely and keep the nation's economy running. The members of the Minnesota Cable Communications Association (MCCA) are proud of the role they play in ensuring their customers have access to strong, reliable broadband, and we are proud of the continuing investments we've made to bring broadband to areas of Minnesota that do not have it. We have been looking forward, with other industry partners, to finishing the job of achieving universal broadband service to all Minnesotans. Minnesota is in the homestretch of the race to achieve those goals with the help of \$652 million in federal grant funding from the Broadband Equity Access and Deployment (BEAD) program being made available.

MCCA appreciates the opportunity to share our support Senate File 735, that will modify the sales tax exemption for telecommunications or pay television services machinery and equipment. Current Minnesota statute includes an exemption for machinery and equipment *primarily* used to provide telecommunication or pay television services. In addition to these services, however, providers are also deploying high-speed broadband internet across their networks and expanding into harder and more expensive to reach areas across the state. Applying this exemption to all essential services deployed over these networks will result in cost reductions, ensure more resources are allocated directly to network expansion and upgrades, and provide further incentive for private investment across the state.

MCCA expresses our support for SF 735 and gratitude to Senator Rest for bringing this important legislation forward. We would ask for, and appreciate, the committee's support of SF 735.

Sincerely,

Melissa Wolf
Executive Director