



February 21, 2025

The Honorable Ann Rest, Chair  
Senate Tax Committee  
75 Rev. Dr. Martin Luther King Jr. Blvd  
Minnesota Capitol, Room 328  
St. Paul, MN 55155

The Honorable Bill Weber, Ranking Minority Member  
Senate Tax Committee  
2211 Minnesota Senate Building  
St. Paul, MN 55155

Dear Chair Rest, Ranking Member Weber, and Members of the Committee,

On behalf of Greater Mankato Growth, the chamber of Commerce and economic development organization representing more than 900 members in the greater Mankato region, I write to express our organizational support of SF44, establishing a sales tax vendor allowance.

The mission of Greater Mankato Growth (GMG) is to support and promote the economic growth and vitality of our members and the regional marketplace. Cost is the top concern for our members. The 2023 legislative session was overwhelming in terms of new mandates and restrictions placed on Main Street businesses. Local business owners are doing their part and have spent a significant amount of time since the session ended trying to understand the new laws and how to comply with them.

Our experience to date is that a significant number of businesses in the state – primarily small Main Street businesses – bear the heaviest burden when new laws are enacted. When it comes to the collection of sales tax, businesses have long been bearing a heavy administrative burden to collect, calculate, and remit the sales tax they collect to the state. It is estimated that it costs the average retail business 3.09% of the tax they collect to administer sales and local taxes. This comes at a cost, especially at a time when costs matter more than ever.

Currently, 27 states allow retailers a vendor allowance for collecting and remitting sales and use taxes, including most of the states bordering Minnesota. In 2023, it is estimated that Minnesota businesses paid more than \$181 million in credit card processing fees for the collection of sales tax alone. Minnesota businesses should not be expected to subsidize the state for the collection of sales tax. SF44 would make a significant difference to thousands of small Main Street businesses who are just trying to make ends meet while serving their customers, clients, and communities.

We urge you to help small businesses and support SF44.

Respectfully,

Andy Wilke  
Executive Vice President

cc: Senator Nick Frentz (North Mankato)  
Senator Rich Draheim (Madison Lake)  
Representative Luke Frederick (Mankato)  
Representative Erica Schwartz (Nicollet)