

# WINNEBAGO INDUSTRIES

March 18, 2025

Minnesota Senate  
Attn: Chair Anne Rest  
Room G-15 Capital Building  
75 Rev. Dr. Martin Luther King, Jr. Blvd.  
St. Paul, MN 55155

**Subject:** Opposition to S.F. 2129 – Gross revenue tax on entities manufacturing and selling products containing PFAS.

Dear Chair Rest and members of the Senate Tax Committee,

I am writing on behalf of Winnebago Industries to formally express our strong opposition to S.F. 2129 which seeks to impose gross tax revenues on businesses that manufacture or sell products containing perfluoroalkyl and polyfluoroalkyl substances (PFAS) in Minnesota.

## **Winnebago Industries**

With over 5,000 U.S. employees, Winnebago Industries is a leading U.S. manufacturer of outdoor recreation products under the Winnebago, Grand Design, Chris-Craft, Newmar and Barletta brands. We build quality motorhomes, travel trailers, fifth-wheel products, outboard and sterndrive powerboats, pontoons and commercial community outreach vehicles.

Our premium brands are synonymous with discovering and exploring outdoor adventures through recreation vehicles and boats. For over 67 years, Winnebago Industries has helped Minnesotans explore the great outdoors, including our National Parks and National Forests, state, county and local parks, private campgrounds, lakes, rivers and beaches.

Both RVing and boating are significant economic drivers in Minnesota with RVing supporting 857 Minnesota businesses with 15,120 jobs and \$3 Billion in annual economic impact while recreational boating supports 717 Minnesota businesses with 25,877 jobs and \$6.9 Billion in annual economic impact. That total combined annual economic impact in Minnesota is a staggering \$9.9 Billion!



## **Negative Impact**

We recognize the desire to address environmental issues associated with PFAS and have been engaging with the Minnesota Pollution Control Agency (MPCA) from both an individual company perspective and in conjunction with our major trade associations. We do not manufacture PFAS chemicals and while we are diligently working to eliminate PFAS from our products, there are applications for which there are simply not yet fully implementable options. These areas include gaskets and similar materials used in drive train applications and automotive level wiring and electronics which are used in boats, travel trailers and motorhomes. As noted, we do not produce PFAS chemicals, and these currently non-avoidable uses come in the form of purchased components. Because these outlined components are located inside of structures and are not generally accessible, the possibility of exposure is very limited.

S.F. 2129 will have catastrophic impact on the marine and RV Industries affecting manufacturers, dealer and consumers. For example, the durable goods that we produce have a suggested retail price range of \$22,000 to \$1.6 million. It does not take a leap of faith to realize that a 50% gross retail tax will effectively eliminate virtually all sales of these products in Minnesota. Additionally, the gross tax provision targeting Minnesota based manufacturers for an additional 50% gross retail tax will serve to ensure out of state-based producers make any sales that might occur.

The RV and marine segments as well as the larger Outdoor Industry – a \$9.9 Billion annual economic force in Minnesota – continue to face significant headwinds including inflation, consumer confidence, stock market volatility and international tariffs. While S.F. 2129 has good intentions, as written, the bill would have severe unintended consequences, amplifying these headwinds into a destructive economic tsunami for RV and marine manufacturers, dealers and the industry segments that support them.

## **Recommendations**

As a Minnesota based company, Winnebago Industries would request that every consideration be examined in not advancing S.F. 2129 based on the points outlined in this letter.

- Outdoor companies are sensitive to environmental concerns and are working diligently to remove PFAS chemicals from products
- The gross tax will decimate higher value durable good sales including RV and boat sales
- Minnesota based manufacturers will be doubly punished

A more realistic approach would be a focus on a method to address the companies that actually produce the PFAS chemicals to fund the bills intent to generate funds to create a “clean up” account.



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Winnebago Industries is also aware of, and is supportive of, letters filed by the RV Industry Association and the National Marine Manufacturers Association specific to S.F. 2129 and we appreciate the opportunity to submit our position to the Committee.

Sincerely,



Chad Reece

Winnebago Industries, Vice President, Government and Industry Relations

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