



Wednesday, May 7th, 2025

The Honorable Ann Rest

Chair, Senate Taxes Committee
75 Rev. Dr. Martin Luther King Jr. Blvd.
Capitol, Room 328
St. Paul, MN 55155

Dear Chair Rest,

Thank you for your leadership and collaboration throughout the 2025 legislative session. Your continued and strong partnership with the Department of Revenue is much appreciated. We would like to thank you for the time given to us to present the Governor's tax budget recommendations. The committee's questions provided thoughtful commentary and insight on the bill. Additionally, we thank you for the time provided to us to express administrative comments. Again, the questions from members provided valuable discussion and has resulted in a tax bill that will help all Minnesotans (SF2374).

We appreciate you including several of the Governor's tax budget recommendations in SF2374. The inclusion of the Sustainable Aviation Fuel Credit changes will support the expansion of an innovative industry in Minnesota. Additionally, the changes included to the transferability of the Short Line Railroad Infrastructure Modernization Credit support another important industry in the state.

We also thank you for including the repeal of the assignment portion of the K-12 Education Credit, the additional penalty for property owners and managing agents who fail to submit a Certificate of Rent Paid, the clarifications made to the definition of attachments and appurtenances, and the department's policy and technical bill. Each of these provisions provides clarity and supports the taxpayer's ease of filing.

Finally, we thank you for including the enhancement to Revenue's capacity to audit and support compliance among the growing number of complex pass-through entities. This initial investment will support Revenue's ability to ensure transparency, efficiency, and compliance in our tax system.

Your leadership in producing a tax bill that will help all Minnesotans is much appreciated. We look forward to continuing to collaborate and partner with you as we enter conference committee.

Sincerely,

A handwritten signature in blue ink that reads 'Paul Marquart'.

Paul Marquart
Commissioner