



# STATE OF MINNESOTA

## Office of Governor Tim Pawlenty

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

May 11, 2010

The Honorable Margaret Anderson Kelliher  
Speaker of the House  
463 State Office Building  
Saint Paul, Minnesota 55155

Dear Speaker Kelliher:

I have vetoed and am returning Chapter 340, House File 2037.

As you are aware, Minnesota and the nation are experiencing historic economic challenges. Minnesotans are concerned about their jobs and the jobs of their family members, neighbors, and friends. Minnesota is already one of the most highly taxed states in the nation. The DFL proposal to add a fourth tier income bracket at a rate of 9.1 percent would give Minnesota the 5th-highest income tax rate in the country. It would also disproportionately harm small business owners and hamper job creation in our state. The bill would raise taxes for approximately 122,000 filers, with an average tax increase of \$2,800 in 2010.

Moreover, it is nonsensical to increase taxes on job providers merely weeks after I signed a bill to provide tax incentives for Minnesota businesses to grow jobs. This behavior sends a confusing and mixed message to companies looking to produce jobs in Minnesota.

The bill also does very little to address the budget deficit in the next biennium, leaving a nearly \$5 billion deficit for the next Legislature and Governor to address. It is irresponsible leadership not to sincerely attempt to address this critical issue, as I did in my February budget proposal.

I look forward to working with you on an appropriate budget solution that does not raise taxes on Minnesotans and significantly reduces the budget deficit in this budget cycle and the next one.

Speaker Kelliher/HF2037

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Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Pawlenty'. The signature is stylized with a large 'P' and a long horizontal stroke at the end.

Tim Pawlenty  
Governor

cc: Senator James Metzen, President of the Senate  
Senator Lawrence J. Pogemiller, Majority Leader  
Senator David Senjem, Minority Leader  
Senator Richard Cohen  
Representative Kurt Zellers, Minority Leader  
Representative Loren Solberg  
Mr. Peter S. Wattson, Secretary of the Senate (Legislative)  
Mr. Al Mathiowetz, Chief Clerk of the House of Representatives  
Mr. Mark Ritchie, Secretary of State