



## 2022 Legislative Session Priorities

# Minnesota's economic recovery is imperative

**L**ocal chambers represent economic vitality in their communities. The Minnesota Chamber Federation unites and amplifies the voice of local chambers by advocating for policies to advance business in every corner of the state. The Federation is comprised of nearly 50 chambers representing more than 75 communities and more than 21,000 businesses. They have worked to promote pro-growth policies to the Legislature for more than a decade, helping ensure that state lawmakers understand the needs and interests of Minnesota's diverse and successful local business community.

### Accelerate economic growth

The state's two-year budget was set in 2021 with nearly a 12% increase in all funds spending from the previous biennium. Minnesota will have a significant forecasted budget surplus providing the opportunity to accelerate the state's economic growth and improving Minnesota's tax climate. The state will be flush with cash:

- \$7.7 billion in additional surplus dollars
- \$1.15 Billion federal funds unspent (from \$2.8 billion federal American Rescue Plan Act (ARPA))
- \$2.65 Billion budget reserves (after expected transfer in November 2021)

### Replenish the Unemployment Insurance (UI) Trust

**Fund:** Use ARPA funds and the large budget surplus to help resolve the \$1.13 billion deficit in Minnesota's UI Trust Fund. Nearly half of the other states in the country have replenished their unemployment insurance funds with money from the Coronavirus Aid, Relief and Economic Security Act (CARES) or ARPA. Minnesota lawmakers could impose a significant payroll tax hike on employers to replenish the fund. Increased payroll taxes will further

impede economic recovery. Employers should not be penalized especially when state and federal funds are available to cover this pandemic created deficit in the UI Trust Fund.

**Offer tax relief:** Reducing Minnesota's tax burden continues to be the number one priority of Minnesota businesses. Minnesota has the third highest corporate income tax, and fifth highest personal income tax rate in the country. These taxes, coupled with other significant tax burdens are one of the major factors driving an increase in the number of businesses to consider locating and expanding in other states. The Legislature can encourage long term economic growth by reducing uncompetitive taxes that are hindering entrepreneurship, talent recruitment and retention, and business growth and investment. This includes getting Minnesota out of the top ten highest tax rankings by lowering top rates for both corporate and individual income taxes; continuing progress in reducing the state business property tax levy and enacting federal estate tax conformity.

**Enact employer friendly workforce strategies:** The ability to attract and retain workers is as important to employers as reducing the overall tax burden. Minnesota employers are subject to a unique 0.1% payroll tax that generates over \$150 million dollars per biennium for workforce development programs that too many employers simply do not use. A more collaborative approach in the development and management of and access to these programs would provide a greater return on investment for both employers and our workforce. Further, allowing employers to receive a credit on this tax to support their own customized training specific to their needs would have an immediate and direct benefits to the workforce.

**Facilitate innovation and productivity:** An important ingredient for Minnesota’s future success is a thriving and growing private sector. Business success is contingent on an environment that is attractive to investment, risk-taking, innovation and growing productivity. Access to capital is also critical. Encouraging investment and innovation through the angel tax credit; enhancing the research-and-development tax credit and similar tax incentives to encourage investment and productivity improvements will help generate needed capital for new business growth.

## Do no harm

**Oppose additional mandates and workplace restrictions:**

Minnesota businesses must be provided the autonomy to make appropriate and responsive decisions for their workplace, and changing economic conditions. We support employer flexibility in determining workplace wage, benefit, scheduling and staffing decisions. Employers design

benefit packages to meet their employees’ needs. Employer protections must be recognized, addressed and implemented if Minnesota legalizes use of recreational marijuana.

**Streamline inefficient regulation:** Reasonable regulation is essential to keeping Minnesota’s workers, consumers, and our environment safe and healthy, but Minnesota burdens employers with regulations, certifications, licensing, and permitting requirements more than other more competitive states. Overregulation harms our economy – by raising prices, thwarting competition, stifling employee earnings, and can keep otherwise qualified individuals unnecessarily under-employed – or out of the workforce altogether. We support reforms requiring the state to use the least restrictive regulation necessary and remove duplication. Minnesota’s environmental and regulatory process must provide greater timeliness, accountability and predictability.

# Minnesota Chamber Federation Partners

Albert Lea-Freeborn County Chamber of Commerce  
Alexandria Lakes Area Chamber of Commerce  
Anoka Area Chamber of Commerce  
Apple Valley Chamber of Commerce  
Austin Area Chamber of Commerce  
Bemidji Area Chamber of Commerce  
Brainerd Lakes Chamber of Commerce  
Burnsville Chamber of Commerce  
Cloquet Area Chamber of Commerce  
Cuyuna Lakes Chamber of Commerce  
Dakota County Regional Chamber of Commerce  
Duluth Area Chamber of Commerce  
East Grand Forks/Grand Forks Chamber of Commerce  
Eden Prairie Chamber of Commerce  
Elk River Area Chamber of Commerce  
Fargo Moorhead West Fargo Chamber of Commerce  
Faribault Area Chamber of Commerce and Tourism  
Fergus Falls Area Chamber of Commerce  
Glenwood Lakes Area Chamber of Commerce  
Grand Rapids Area Chamber of Commerce  
Greater Mankato Growth  
Greater Stillwater Chamber of Commerce  
Hastings Area Chamber of Commerce & Tourism Bureau  
Hermantown Area Chamber of Commerce  
Hibbing Area Chamber of Commerce  
Hutchinson Area Chamber of Commerce and Tourism

International Falls Area Chamber of Commerce  
Lake County Chamber of Commerce  
Lakeville Area Chamber of Commerce  
Laurentian Chamber of Commerce  
Litchfield Area Chamber of Commerce  
Marshall Area Chamber of Commerce  
MetroNorth Chamber of Commerce  
New Ulm Area Chamber of Commerce  
Northfield Area Chamber of Commerce & Tourism  
Owatonna Area Chamber of Commerce & Tourism  
Pipestone Area Chamber of Commerce and Visitor’s Bureau  
Redwood Area Chamber of Commerce & Tourism  
River Heights Chamber of Commerce  
Rochester Area Chamber of Commerce  
St. Cloud Area Chamber of Commerce  
Shakopee Chamber of Commerce  
Southwest Metro Chamber of Commerce  
Twin Cities North Chamber of Commerce  
Waconia Chamber of Commerce  
Waseca Area Chamber of Commerce  
White Bear Area Chamber of Commerce  
Willmar Lakes Area Chamber of Commerce  
Winona Area Chamber of Commerce  
Woodbury Area Chamber of Commerce  
Worthington Area Chamber of Commerce

FEDERATION  
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