

The 2013 Legislature's legacy: Why?

By David C. Olson

The Minnesota Legislature has adjourned, leaving a trail of votes certain to negatively impact all businesses and all Minnesotans.

Please ask your elected officials: Why?

The Minnesota Chamber of Commerce and our statewide network of local chambers knew we'd be challenged by Governor Dayton and the new legislative leadership. Our worst fears were realized – and then some. The leaders convened in January promising, in their words, to abandon the failed policies and political overreach of the past decade. The governor, along with House Speaker Paul Thissen and Senate Majority Leader Tom Bakk, pledged to return Minnesota on a path to prosperity.

The legislative scorecard is mindboggling. The ill effects of the policies enacted – from taxes/spending and health care to education and workforce, environment and energy, and a host of issues in between – will be felt by all Minnesotans.

There were alternatives. We can do better.

Why did the Legislature raise permanent taxes by more than \$2 billion to resolve a \$627 million short-term deficit? They could have adopted a balanced approach by going through the budget line by line, eliminating unnecessary and wasteful spending.

Why shouldn't K-12 teachers have to pass a basic skills test before they enter a classroom? All students merit having the most effective teachers.

Why was sales tax on business-to-business transactions imposed on certain industries, burdening them with these uncompetitive costs in order to provide sales-tax exemptions to local governments? These business-to-business taxes will result in driving jobs and business opportunities out of Minnesota as most states do not impose these costs. This is especially worrisome given the April unemployment report which showed the loss of 11,400 Minnesota jobs with weakness noted in the same industries now being impacted by these new taxes.

Why did we need to create another state agency with nearly 100 full-time employees to manage the new health insurance exchange – at a cost of \$60 million that will be financed entirely by a tax on small businesses and individuals' health care premiums? An exchange operated by the private sector could have achieved the same goals at far lower cost.

Why did we need to raise solar energy standards and increase electricity costs for businesses and residences? Minnesota already has among the most aggressive renewable energy mandates in the nation.

Why are we raising corporate income taxes on the Minnesota-based corporations that we value so highly in our state? Minnesota's tax rate already ranks third highest in the nation; other states and nations are working to lower tax burdens.

These examples are but a glimpse of the new laws that should be disturbing to all Minnesotans. Join with us, as the leader of the [United for Jobs Coalition](#), and [ask your legislators the tough questions](#).

There were better alternatives. Our Minnesota Chamber Federation worked with legislators all session long to recommend measures to strengthen our economy for the benefit of all Minnesotans.

In the end, the governor and legislative leaders rejected nearly all suggestions aimed to prioritize, reform and redesign government operations. We are left with tired strategies that promise little hope for growing our economy.

Minnesota cannot afford to raise the cost of doing business. Minnesota lost 14,700 jobs in March and April; our job growth numbers are lagging behind the U.S. average of 1.6 percent. The economic recovery remains fragile.

As neighboring states are erecting billboards on our borders welcoming business, what message is Minnesota sending? Quite the opposite, I am afraid.

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