

Advance business priorities during legislative home stretch

By Doug Loon

It's been a productive year for the business community as the Legislature passes its midway mark. Our statewide Chamber Federation has been integral to securing early victories. Please continue to advance your priorities. Our top initiatives – principally business tax relief and transportation investment – remain in play at the Capitol. And the clock is ticking - lawmakers must adjourn by May 23.

Here is our scorecard to date. Two successes stand out.

- Unemployment insurance reform was signed into law. Minnesota employers overall will receive \$258 million in payroll tax reductions with a one-time credit this year on their unemployment insurance premiums and future credits whenever the Unemployment Insurance Trust Fund balance reaches 104% of the federally-recommended solvency level. This provision provides real, tangible relief to businesses across the state this year.
- REAL ID legislation is required to ensure Minnesotans are able to use their state-issued driver's license or ID to access federal buildings and federally regulated air travel. We expect Minnesota to be in sync with federal regulations by the end of the session. One bill has passed, directing the Department of Public Safety to develop plans to bring the state in compliance. A second bill has been introduced to implement the law.

Two other important measures warrant your attention:

- We vigorously oppose legislation in the Senate that proposes to impose a brand new payroll tax on employers and employees to fund a new paid-leave entitlement administered by a new state bureaucracy. The mandate would apply to companies with 21 or more employees. Even the bill's advocates' own data shows that about 75% of these leaves in Minnesota already are compensated in some way. Simply put, we oppose one-size-fits-all mandates that would smother the flexibility and creativity used by employers to work out benefit plans with their employees.
- On another front, Minnesota has seen an increasing number of abusive drive-by lawsuits targeting small businesses over alleged violations of the Americans with Disabilities Act. We support legislation that encourages all businesses to provide access to the disabled community while preventing these lawsuits that seem to have primary goal of achieving a monetary settlement for some attorneys.

With a month to go, competing budget priorities from the Governor, Senate Democrats and House Republicans will frame the debate. Legislators are ready to make major decisions on taxes and spending. This is a great time to encourage them to improve Minnesota's business climate by using the \$900 million surplus for business tax relief and new money for transportation.

- Reducing the statewide business property tax, our No. 1 overall priority, will help all Minnesota businesses. The levy represents about 30% of business property tax bills and is increased each year automatically without a legislative hearing or action. Other tax priorities this year include conforming the state estate tax to the federal threshold and enhancing the research-and-development tax credit.
- Businesses across the state also depend on efficient and safe movement of people and products. Please encourage your legislators to pass sustained and strategic investment in roads, bridges and transit this session.

Investing in economic and physical infrastructure is essential to making Minnesota ready for the future – ready for change and ready to grow.

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