



## 2017 Minnesota Chamber Federation Priorities

### **ENACT MEANINGFUL BUSINESS TAX RELIEF**

High business tax burdens are consistently cited as a top concern for Minnesota businesses negatively impacting their growth and expansion opportunities. Minnesota business taxes rank among the highest in the nation in many tax categories including 3<sup>rd</sup> highest for corporate and pass-through income tax rates, 2<sup>nd</sup> highest for some types of business property taxes and one of 14 states that still have an estate tax. We support tax relief focused on reducing taxes that undermines growth, entrepreneurship and expansions. We support the following tax reforms to improve Minnesota's competitiveness: property tax relief for all businesses by reducing the statewide levy and eliminating the automatic inflator; lowering top income tax rates; conformity with Section 179 expensing federal laws for small businesses investing in their Minnesota operations; enhancement and simplification of research and development tax credit; and increasing estate tax threshold to the federal level.

### **TRANSPORTATION INVESTMENT**

We support passage of a 10 year, comprehensive transportation funding package that provides increased investment in the state's multi-modal transportation infrastructure. This package should provide long-term, sustained investment that will enable the state to maintain our vital transportation infrastructure and provide for strategic enhancements. The state should use the General Fund revenues generated from the statewide sales tax on auto parts and rental cars to fund increased investment in our transportation system; consider an adjustment in the tab fee depreciation schedule; augment any new investment through an increased focus on efficient use of resources; use Trunk Highway bonding to help finance projects in the state's road and bridge system and General Obligation bonding to support local road and bridge, transit way, port, rail, airport, and other transportation infrastructure projects across the state. In addition, policymakers must ensure that the state's transit needs in both the metro area and Greater Minnesota are addressed through this comprehensive, long-term investment.

### **PROVIDE FLEXIBILITY; DON'T IMPOSE ONE-SIZE-FITS-ALL MANDATES**

Employers must have the flexibility they need to provide benefits that are appropriate for their workplace. Voluntary, flexible policy approaches are far more effective than a one-size-fits-all solution mandated by elected officials. Consistent with these principles of offering choices and ensuring flexibility, we support consideration of the following potential approaches:

- Incentives for employers to offer paid leave benefits for employees.
- Incentives for employees to save for the paid leaves they take.
- Policy changes to make it more affordable and convenient for private-sector employees to purchase short-term disability policies in the private insurance market.

A troubling new trend is for cities to enact their own workplace mandates, creating a patchwork of city-by-city ordinances that presents an even greater administrative burden for employers. Local units of government should not be able to enact their own local minimum wage ordinances or benefit mandates since doing so will disrupt the state employment market and impede hiring and job growth. Accordingly, we support explicit statewide preemption of local government labor mandates.

## **HEALTH CARE**

In response to the dramatic spike in health insurance costs in the individual market, we anticipate a one-time buy down of those premiums using surplus revenue in the 2017 Session. We support that effort, but as important, we support long term health care reform that will ensure more affordable premiums moving forward. Our goal is to ensure access to quality affordable health care in the commercial market by reducing health care taxes and mandates; expanding product and coverage options for employers (i.e. self-insurance for smaller employers) and individuals; increasing market competition and stability; encouraging outcome based payment and delivery reform; and improving consumer engagement and transparency of cost and quality.

## **LAWSUIT REFORM (ADA modification)**

We support strengthening the bipartisan American with Disability (ADA) lawsuit reform bill that was signed into law last year by requiring mandatory notice and a reasonable time for a business to fix the alleged access violation prior to the commencement of a lawsuit. Lawsuits targeting small businesses by a handful of lawyers continue to be filed in many Minnesota communities alleging disability access violations such as stripping and signage of parking lots. The voluntary notice provision passed into law last year has not stopped this abusive lawsuit practice that appears to have the primary motivation of achieving attorney's fees for a small group of attorneys versus improving access for the disabled.