

Rep. Jeanne Poppe

NEWS COLUMN

Minnesota House of Representatives

District 27B 651-296-4193 – rep.jeanne.poppe@house.mn

291 State Office Building, St. Paul, MN 55155

FOR IMMEDIATE RELEASE

CONTACT: Daniel Borgertpoepping

651-296-9873 or daniel.borgertpoepping@house.mn

April 27, 2018

Tax conformity, finance bills take center stage

With three weeks remaining in the 2018 legislative session, one of the issues still to be resolved is passing a tax conformity bill. Major changes were made to the federal tax code in December 2017, including many changes for individuals and corporations, requiring Minnesota to decide to what extent it will align its state tax code with the federal code. If Minnesota fully adopts the changes made at the federal level, taxpayers in our state would see hundreds of millions of dollars in tax increases. However, refusal to conform would lead to a costly and complicated tax process for Minnesota filers. Success lands somewhere between these two extremes, protecting Minnesota families from increases and avoiding complications while securing the state's ongoing fiscal stability.

Gov. Dayton released his tax proposal a couple weeks ago, which is specifically targeted toward Minnesota families. It would bring tax cuts to 2 million Minnesota families and includes \$186 million in cuts for farmers and businesses.

Gov. Dayton's proposal and the recently released House proposal both move Minnesota from federal taxable income to federal adjusted gross income. However, the House bill lacks the specific targeting that would yield the largest positive impact for Minnesota families.

The tax bill has been heard in Ways and Means and will be heard on the House floor next week. Once the bill passes, it is expected to go into conference committee with the future Senate tax bill. The House proposal includes a bill that positively impacts our local Cedar River Conservation Club providing a sales tax exemption for purchases made by nonprofit conservation clubs.

As we approach votes on major finance bills, these budget bills come to the Ways and Means Committee and many of them are joined together to create large omnibus bills. This week on the House floor, we heard the education and higher education omnibus bill.

When large finance bills get put together into the one omnibus bill, it becomes more challenging to determine if there are more good things than bad in the bill and whether the bill is worthy of a

'yes' vote. I am pleased to report the omnibus education bill includes funding to support persons who are pursuing agriculture education with the intent of becoming an ag teacher. I carried the original bill last year and am glad to see it funded for the second year in a row. I would prefer there would be a greater funding increase for the MN State and University of Minnesota systems.

Additional bills to come forward include the legacy bill, which uses the constitutionally dedicated sales tax money to provide resources for arts, outdoor, and clean water funds, and the Capital Investment bill which is yet to come to a vote in committee. We also still await a vote on the pension bill which passed unanimously in the Senate before Easter. I encourage you to continue to reach out with your input on these and other issues as we come to the end of the session.

Rep. Jeanne Poppe can be reached at the Capitol by email at rep.jeanne.poppe@house.mn or by phone at [651-296-4193](tel:651-296-4193).