

100% Campaign 705 Raymond Ave. - Suite 100 Saint Paul, MN 55114 www.100percentmn.org

February 27, 2023

Chair Gomez and Members of the Committee,

We are writing to express our support for the Walz-Flanagan revenue proposal, House File 1938 (Gomez).

We appreciate its cautious approach to cutting taxes as well as three provisions that will aid in Minnesota's transition to a more equitable and clean energy future.

First, to transition to a more equitable and clean energy future, Minnesota needs a strong, stable, and progressive tax code. When lower cost, some climate and clean energy solutions are more readily addressed by market demands, like the lower costs of renewable energy. Others, including many one-time transition costs, will require public investments, like weatherizing buildings. A few will require ongoing state investments, like planning, preparedness, and emergency response. We owe it to ourselves and the generations that follow to make sure Minnesota has adequate revenue from a more progressive tax code.

The Walz-Flanagan tax bill is appropriately cautious about making outsized and permanent tax cuts that would make the tax code more regressive, like the full repeal of the Social Security tax. Our state budget surplus will not last forever; our tax cuts should not be permanent, large, or structural.

Second, House File 1938 recognizes the importance of making dedicated investments in public transit in the Twin Cities metro area. The proposals to authorize a one-eighth of a cent sales tax in the seven-county metro area and to increase the bonding authority of the Metropolitan Council are both critical building blocks of a transportation system that will improve lives and make Minnesota more equitable. These are long overdue investments.

Third, House File 1938 fixes an unfair exclusion from the state's Working Family Credit and homesteading law. An administrative fix, allowing the use of Individual Tax Identification Numbers as proof of identity, will allow more Minnesotans to enjoy the tax benefits that most Minnesotans already do.

As you assemble the Senate's tax bill, please keep these three things in mind. We have an historic opportunity to invest in Minnesota and to create a more equitable tax code. Please build on these smart investments and exercise caution about permanent and regressive tax cuts.

Thank you for your time and consideration,

Aurora Vautrin

Aurora Vautrin Legislative Director 100% Campaign 705 Raymond Ave. - Suite 100 Saint Paul, MN 55114