



April 6, 2021

Representative Paul Marquart
Chair, House Taxes Committee
597 State Office Building
100 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155

Dear Chair Marquart and House Taxes Committee members:

Thank you for the opportunity to comment on House File 991, the House omnibus tax bill. The bill's approach is consistent with our principles as co-convenor of the Together We Rise Minnesota campaign: 1) to raise needed resources to fund essential actions to respond to the pandemic and hardship caused by the economic downturn, protect existing community and public services that Minnesotans count on, and build the more equitable recovery Minnesotans deserve; and 2) revenue-raising options should focus on those with the greatest resources.

Minnesota is a state of abundance, and we know the path to a stronger, more equitable recovery is through greater investment in the health, well-being, and economic stability of all Minnesotans. When we fully take into account what our communities need to thrive, it's clear that the gap between state revenues and the investments needed is real. Additional federal dollars coming to the state is good news, but is only temporary. It makes sense for those with the greatest resources to contribute to support the bold action needed today and to build a more equitable recovery for tomorrow.

We recognize how the pandemic has further spotlighted the systemic barriers to opportunity that have kept too many Black, Indigenous, and people of color (BIPOC) Minnesotans, as well as Minnesotans in rural communities, from fully participating in this state's prosperity, and the importance of making new and bolder investments today to close those gaps.

As a nonprofit association of over 2,000 member organizations from across the state, we have seen how our members have risen to address the challenges of our times, often in partnership with the public sector, and we have seen the powerful impact of our combined actions. This moment has called on us all to respond to a public health emergency unlike any in our lifetimes, deep and unequal economic disruption, and a long overdue reckoning with Minnesota's stark racial disparities.

Regional chapters in:

- Central Minnesota
- Northeast Minnesota
- Northwest Minnesota
- Southeast Minnesota
- South Central/Southwest Minnesota
- West Central Minnesota

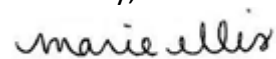
It's a high priority for our members that the state respond to the ongoing economic impact of COVID, and the need for sustainable funding for the essential services nonprofits provide. Like the state, the nonprofit sector has been significantly impacted by the pandemic. A majority of [nonprofits responding to an MCN survey](#) reported ongoing disruption to their organizations' operations, and a significant portion of respondents reported an increased demand for their services, as well as epic uncertainty about funding, in particular from individual donors and government agencies.

We thank you for including provisions in the omnibus tax bill that conform to federal tax changes to encourage and support charitable giving, including provisions that build on Minnesota's history of recognizing the charitable giving of both itemizers and non-itemizers. These provisions provide incentives for Minnesotans to provide financial support to the work that nonprofits are doing to support Minnesota communities through the COVID crisis and to bring about a more equitable recovery.

While the cost of these conformity provisions is modest, we are mindful of the many needs that require investment to bring about a more equitable recovery. We recognize that in your work ahead to craft final tax legislation, you will need to balance the importance of supporting charitable giving with goals for a more equitable and sustainable revenue system.

We look forward to an ongoing conversation about tax and budget choices that make it possible for Minnesota's nonprofits to achieve their missions, strengthen their communities, and build a state where everyone can thrive. Please contact me if there is any additional information we can provide.

Sincerely,



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The Minnesota Council of Nonprofits is an association of over 2,000 nonprofit members from every part of the state and every area of nonprofit activity.