



December 10, 2020

Dear Members of the House Ways and Means Committee:

As the Legislature convenes for its 7th special session this year, we urge you to support **immediate, critical assistance for Minnesota businesses. Businesses cannot wait until the legislative session begins in January – they need help now.** Small and mid-sized businesses – who provide meaningful employment and a quality of life across Minnesota – are struggling to survive. They are part of the fabric of our state, and their viability will be key to moving toward recovery from the COVID-19 pandemic.

Since the outbreak of COVID-19, the business community has shared the responsibility of balancing the need for public health protections while absorbing the economic blows from the loss of customers and business activity. Small and mid-sized Minnesota based businesses in certain industries have been severely impacted. Following the limits placed on operations and capacity since March of this year and now with the new pause in operations until December 18, their economic future is more precarious than ever before.

We share the goal to limit spread of the virus and protect the private sector economy. The impact of community spread on businesses through the loss of workforce and customers is a serious matter. At the same time, businesses most directly impacted by closures, especially with very short notice, deserve assistance from government.

Immediate, targeted assistance is needed for these employers to remain viable. We ask that when you convene for special session on Monday, December 14th that you provide the following support to those businesses and their employees most at risk of closure:

- Provide additional grants to businesses hardest hit by COVID-19 pandemic and for those impacted by the recent “pause” in their business operations. Increase the available grant amounts as the need greatly surpassed the initial allocation. Impacted businesses simply cannot take on more debt. Cash for operations is urgently needed.
- Provide tax relief in the form of a delay in sales tax remittance, tax forgiveness for hard hit industries, tax credit for food donations and delays in other estimated tax payments to help free up cash now.
- Waive or delay other state-imposed fees such as general business or industry specific annual licensing fees until spring 2021.

- Ensure unemployment insurance benefits synch to federal action so that unemployed individuals received the assistance they need. Federal resources should be used before state resources are expended or Minnesota businesses are further harmed with higher unemployment insurance taxes. At the same time, many Minnesota businesses are hiring and DEED estimates that there are over 111,000 jobs in need of filling. Minnesota's policies should not disincentivize workers from seeking these opportunities.
- Continue to ensure that unemployment insurance claims made related to the COVID-19 pandemic are not counted against employers' experience rating.

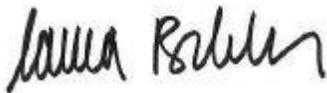
Businesses most at risk of permanent closure include those in the hospitality industry, health and fitness facilities, event and entertainment facilities, and any business that has experienced state imposed restrictions and operating limitations from executive orders in effect since May 2020. These initial, immediate requests are intended to help with cash flow for businesses to survive during the shutdown. The Minnesota Chamber is currently developing a more comprehensive economic recovery action steps for policymakers to consider in the 2021 legislative session.

Finally, we have joined with you in urging Minnesota's congressional delegation to act immediately to provide federal relief and support to Minnesota employers and employees to blunt these devastating economic impacts.

We look forward to ending the "pause" in December, and know that businesses are actively laying plans for safely and securely reopening their doors to get businesses – and our economy – moving forward.

Thank you for your consideration and prompt action.

Sincerely,



Laura Bordelon
Senior Vice President, Advocacy
Minnesota Chamber of Commerce