

April 6, 2021

Chair Marquart and Members of the House Taxes Committee:

Thank you for the opportunity to submit written testimony on HF 991 (DE amendment), the omnibus tax bill.

Minnesota Realtors® (MNR) was founded in 1919 and is a statewide business trade association with a membership of over 21,000 real estate professionals working with buyers and sellers of all types of property in every corner of the state.

### **Paycheck Protection Program (PPP) Loan Forgiveness Federal Conformity**

MNR supports Paycheck Protection Program (PPP) loan forgiveness federal conformity.

Unless Minnesota conforms to federal tax law, forgiven PPP loans will be taxed in Minnesota and many struggling small and mid-sized businesses will receive an additional, and unexpected, tax burden.

### **Exclusion from Gross Income for Discharged Mortgages on a Principal Residence**

MNR supports conforming to the exclusion from gross income for loan forgiveness on discharged mortgages.

Mortgage debt cancellation tax relief provides homeowners, who have had some portion of their mortgage debt forgiven by a lender through a short-sale, foreclosure, or a principal reduction, relief from having that forgiven debt treated as “income” and taxed.

In addition, MNR does not understand the public policy purpose of taxing the discharged debt of a homeowner and we would support adopting a permanent Minnesota exclusion instead of treating this as a conformity item.

### **SALT Parity**

MNR supports restoring the full SALT deduction to Minnesota’s pass-through businesses, which will help these businesses by reducing their federal tax burden without reducing tax collections to the state.

### **Historic Structure Rehabilitation Credit Sunset Extension**

MNR supports the sunset extension for the historic structure rehabilitation credit.

MNR supports policies that recognize the importance of both market-rate housing and housing affordability and the historic rehabilitation tax credit has certainly supported and encouraged private investment in housing over the past decade.

**Homestead Credit Refund Increase**

MNR supports increasing the maximum homestead credit refund by \$250 for claimants at most income levels.

The Homestead Credit Refund Program makes housing more affordable. Saving money for a down-payment and purchasing a home is just the first step in becoming a homeowner and the Homestead Credit Refund Program assists homeowners whose property taxes are high relative to their income.

Thank you again for the opportunity to provide written testimony on HF 991 (DE amendment).

Sincerely,



Paul Eger  
Vice President, Governmental Affairs  
Minnesota Realtors®