



March 23, 2021

Representative Paul Marquart, Chair
House Taxes Committee
597 State Office Building
St. Paul, MN 55103

Dear Chair Marquart and House Taxes Committee members:

The COVID-19 pandemic exacerbated racial and economic disparities that existed before the pandemic. Essential workers and communities of color have borne the brunt of the health and economic impacts of this crisis. The recession has been unequal; we see those at the top increasing their wealth while Minnesotans who were already struggling are being left further behind.

While Minnesota's current financial situation may be improving, the state budget has been underfunded for over 20 years. Understaffed classrooms, crumbling infrastructure, and inaccessible healthcare can't be addressed with one-time money. To help resolve the structural imbalance between Minnesotans' needs and ongoing revenue, we support proposals to close loopholes on foreign corporate tax shelters. HF2228 Howard would require corporations to declare their worldwide income for Minnesota tax purposes. HF2114 Marquart taxes corporate income sheltered abroad by allowing corporations to choose whether to declare worldwide income as provided for in HF2228 or to include their global intangible low-tax income (GILTI) on their Minnesota tax returns.

We want to remind committee members that the 2017 federal tax bill gave large corporations massive permanent tax cuts, and many have been thriving during this crisis. A recent analysis by the Washington Post of the 50 most valuable publicly traded U.S. companies found that during the first 6 months of the pandemic 45 of the 50 turned a profit. Combined these companies laid off a total of 100,000 workers, while distributing more than \$240 billion to shareholders.

Workers have suffered and sacrificed the most during this pandemic while the wealthiest and big corporations have gotten richer. Those who have prospered during these difficult times should do their part to help us not just recover but rebuild and pay their fair share in taxes to fund Minnesotans' needs.

Sincerely,

Melissa Hysing
Legislative Director

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