

# MEDICAL ALLEY ASSOCIATION

## TAX PRIORITIES FOR AN INNOVATIVE ECOSYSTEM



### Fully Funding the Angel Tax Credit Program

SF1314 (Nelson) | HF1816 (Kotyza-Witthuhn)

Robust and stable funding for the Angel Tax Credit is a key piece of continuing to develop our innovative start-up ecosystem. This program helps today's innovators secure the resources they need to power job and economic growth for the next generation of Minnesotans. Continuing to focus on key industries and targeted populations will help drive equitable growth throughout the state.



### Removing the Penalty on Early-Stage Startups

SF1242 (Rest) | HF1910 (Davids)

Net Operating Losses (NOLs) can be a critical tool for startups to stay afloat and continue growing while they are not yet profitable. This is especially true for FDA-regulated companies that often wait years to be given permission to sell one product. A quirk of Minnesota tax law penalizes these companies by disallowing any NOLs because they have no sales, which can harm competitiveness. Removal of this 'Innovation Penalty' is essential to continuing to grow the next generation of innovative healthcare companies in Minnesota.



### Improve Innovator Access to R&D Credit

SF930 (Nelson) | HF277 (Robbins)

The R&D tax credit encourages investments in innovation here in Minnesota. Unfortunately, the current complexity of the credit discourages small and early-stage companies from using it, resulting in less investment into Minnesota's economy. Making this tax credit simpler and thus more accessible, will encourage these companies to leverage it, resulting in increased investment, more jobs, and higher wages for Minnesota workers.



### Preserving Capital for Small Businesses Impacted by COVID-19

SF263 (Bakk) | HF501 (Marquart)

Minnesota should not penalize employers who availed themselves of federal assistance to keep their business open and paychecks flowing during the pandemic. Conforming to federal tax law regarding the Paycheck Protection Program (PPP) is crucial to accelerating post-pandemic economic recovery for Minnesota workers and businesses.

# MEDICAL ALLEY



ADVOCATING FOR A HEALTH SYSTEM THAT  
**WORKS FOR EVERYONE**



AND THE

ECOSYSTEM THAT WILL DRIVE THE  
**TRANSFORMATION**  
OF **HEALTHCARE**