

TAX RELIEF IN THE 2017 SESSION COSTS MATTER



Estate Tax

Minnesota is only one of 14 states that still has an estate tax. The tax threshold of \$2 million kicks in a much lower level many of the other 14 states and far below federal level of \$5.49 million.

More than 3,000 Minnesotans with an estimated \$2 billion in taxable income and \$31 billion in estate value left, or began leaving the state beginning in 2014, according to a 2016 research study by Twin Cities Business. 72% cited MN taxes as a key factor.

Improve tax fairness and help farmers and small business

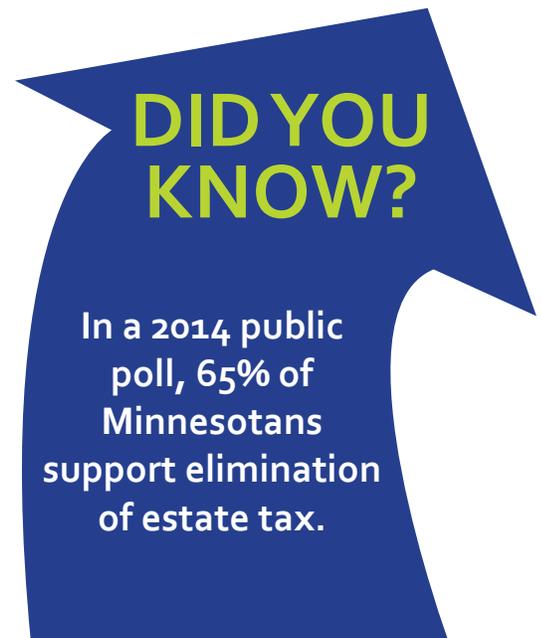
The United for Jobs Coalition supports elimination of estate tax or at a minimum conforming Minnesota estate tax with the federal estate tax threshold to ease transfers of family businesses and farms and to make Minnesota more attractive for retaining and attracting entrepreneurs, retirees and investments.

Hardest hit by the estate taxes are family enterprises. While businesses and farms may have a high value, they also have assets that are not liquid, so paying taxes can become a serious problem when passing the business to the next generation.

In addition, the estate tax, plus the high individual income tax, creates an unfortunate incentive for more affluent Minnesotans to change their permanent residences. Our retirees are a tremendous asset and a great benefit to our communities, our economy, our tourism and our charitable community. Minnesota will lose not only these tremendous community assets but also will lose tax revenue by driving more affluent residents out of the state.

Minnesota's estate tax is complex in its administration and results in costs that are not imposed in most other states. Studies have found that the compliance costs may exceed the value of the tax collected. Minnesota's tax system must be competitive with other states and should not create incentives to relocate or to invest outside of Minnesota.

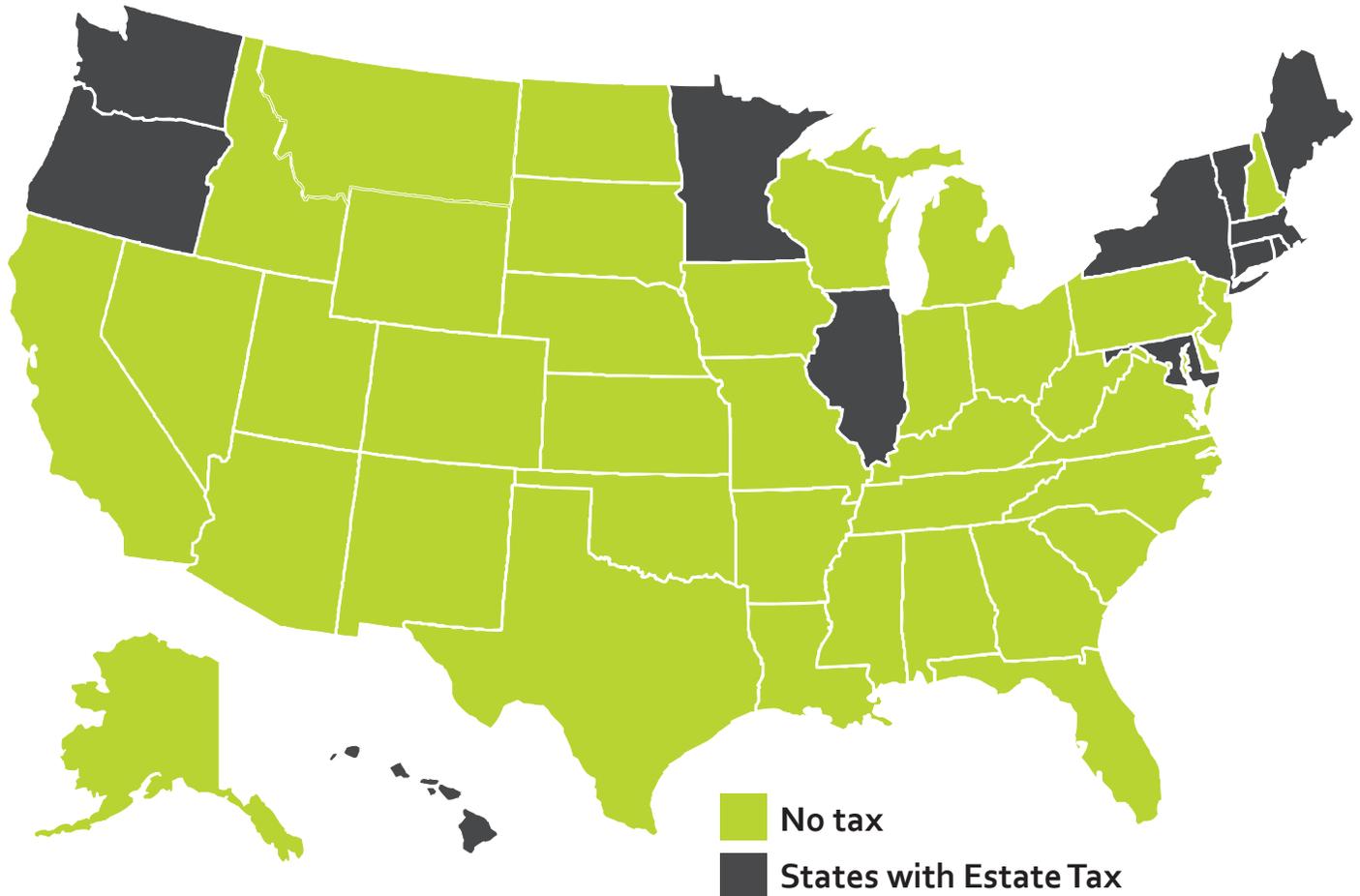
The United for Jobs Coalition supports repealing the estate tax so Minnesota is competitive with the majority of states that do not place this tax burden on their family businesses, farms and residents. At the very least, Minnesota should match the federal estate tax threshold to improve our competitiveness and lessen the extreme complexity of estate tax planning.



Urge Legislators and the Governor to help small businesses and farmers by conforming Minnesota's estate tax to federal level in the 2017 session.

Kiplinger magazine lists
Minnesota as the **4th worst state**
with the scariest death taxes.

Minnesota is one of only 14 states with estate tax



**Four states have inheritance tax (Iowa, Kentucky, Nebraska and Pennsylvania. Tennessee tax is eliminated as of 12/31/2015.) Maryland and New Jersey have both estate and inheritance tax. New Jersey estate tax's repealed in 2018.*

United for Jobs is a coalition of over 70 business trade associations and local chambers of commerce committed to making Minnesota more competitive.



Minnesota is becoming more of a tax outlier and is on Forbes list on where not to die. Other states are either eliminating estate tax entirely (over past 5 years Indiana, Kansas, Ohio, Oklahoma, North Carolina, Tennessee and New Jersey eliminated their estate tax) or increasing exemption threshold to match federal level (Maryland, Delaware, Maine, Hawaii, New York and DC are at or being phased in to federal threshold).