

TAX RELIEF IN THE 2017 SESSION COSTS MATTER



Research & Development Tax Credit

One of Minnesota's biggest strengths has been our innovation, and innovation will remain a key to our future economic success. Economic growth ultimately comes from a business climate that encourages and fosters private-sector risk-taking, innovation and production.

MINNESOTA IS KNOWN FOR ITS INNOVATION

Did you know Minnesota was home to the first?

Pacemaker, oxygen mask, snowmobiles, snowblowers, masking and Scotch tape, Wheaties cereal, Bisquick, bundt pan, SPAM, the pop-up toaster, water-skis, super computer, open heart surgery, bone marrow transplant, Twister, and many more...

Minnesota should retain and expand key parts of our tax code that foster research such as the research-and-development (R&D) tax credit. Minnesota was the first state in the nation to enact the R&D tax credit in 1981, which was a great strategic move to encourage good-paying R&D jobs and activity in the state. Since then, many other states have enacted an R&D credit and have surpassed Minnesota in the robustness of the credit. Many of Minnesota's core industries including manufacturing, biosciences, agricultural and healthcare require substantial research. Studies have found that the state R&D tax credits do have a positive impact on new firms and creation of jobs.

(State Science & Technology Institute, March 13, 2013 How Effective are State R&D Tax Credits)

Here's just a snapshot of Minnesota's success in R&D:

- Minnesota ranked third in bioscience-related patents per 1 million residents, according to the 2010 Battelle/BIO State Bioscience Initiatives report.
- Minnesota ranks 10th nationwide in R&D expenditures by public companies with nearly \$6.5 billion, according to the 2010 U.S. Sourcebook of R&D Spenders.

Source: Minnesota Department of Employment and Economic Development

There is great competition for R&D. We recommend the enhancing of the R&D credit to ensure continued strength in our R&D sector and innovation.



Urge Legislators and the Governor to support an enhancement of the R&D tax credit in the 2017 omnibus tax bill to ensure Minnesota's continued strength in R&D and to encourage more innovation.

United for Jobs Coalition

Albert Lea-Freeborn County Chamber of Commerce
Apple Valley Chamber of Commerce
Associated Builders & Contractors
Austin Area Chamber of Commerce
Belle Plaine Chamber of Commerce
Bemidji Area Chamber of Commerce
Brainerd Lakes Chamber
Building Owners & Managers Association
(BOMA) Duluth
Building Owners & Managers Association
(BOMA) Greater Minneapolis
Building Owners & Managers Association
(BOMA) Greater St. Paul
Burnsville Chamber of Commerce
Central Minnesota Manufacturers Association
Cloquet Area Chamber of Commerce
Dakota County Regional Chamber of Commerce
Duluth Area Chamber of Commerce
Eden Prairie Chamber of Commerce
Elk River Area Chamber of Commerce
Faribault Area Chamber of Commerce & Tourism
Fergus Falls Area Chamber of Commerce
Grand Rapids Area Chamber of Commerce
Hastings Area Chamber of Commerce
& Tourism Bureau
Hibbing Area Chamber of Commerce
I-94 West Chamber of Commerce
Independent Community Bankers of Minnesota
Insurance Federation of Minnesota
International Falls Area Chamber of Commerce
Iron Mining Association of Minnesota
Lake City Chamber of Commerce
Laurentian Chamber of Commerce
LifeScience Alley
Litchfield Chamber of Commerce
Lonsdale Chamber of Commerce
Marshall Chamber of Commerce
Metalcasters of Minnesota
MetroNorth Chamber of Commerce
Midwest Food Processors Association
Minnesota Agri-Growth Council, Inc.
Minnesota Association of REALTORS
Minnesota Bankers Association

Minnesota Beverage Association
Minnesota Business Partnership
Minnesota Cable Communication Association
Minnesota Chamber of Commerce
Minnesota Dental Association
Minnesota Forest Industries
Minnesota Grocers Association
Minnesota Lodging Association
Minnesota Mechanical Contractors Association
Minnesota Milk Producers Association
Minnesota Nursery & Landscape Association
Minnesota Pork Producers Association
Minnesota Precision Manufacturers Association
Minnesota Resort and Campground Association
Minnesota Restaurant Association
Minnesota Retailers Association
Minnesota Shopping Center Association
Minnesota Society of CPAs
Minnesota Trucking Association
NAIOP, the Commercial Real Estate
Development Association
National Federation of Independent Business
New Ulm Area Chamber of Commerce
North Hennepin Area Chamber of Commerce
Owatonna Area Chamber of Commerce & Tourism
Printing Industry Midwest
Redwood Area Chamber & Tourism
Richfield Chamber of Commerce
River Heights Chamber of Commerce
Rochester Chamber of Commerce
St. Cloud Area Chamber of Commerce
Shakopee Chamber & Visitors Bureau
SouthWest Metro Chamber of Commerce
Tri-State Manufacturing Association
Twin Cities North Chamber of Commerce
TwinWest Chamber of Commerce
Waconia Chamber of Commerce
Waseca Area Chamber of Commerce
White Bear Area Chamber of Commerce
Willmar Lakes Area Chamber of Commerce
Winona Area Chamber of Commerce
Worthington Area Chamber of Commerce

Help us build grassroots support. Share how the R&D tax credit impacts your company. Contact Jennifer Byers to schedule a legislator plant tour and/or testimonial at 651.292.4673 or jbayers@mnchamber.com.