

TAX RELIEF IN THE 2017 SESSION COSTS MATTER



Vendor Collection Allowance

Brick and mortar businesses in Minnesota continue to feel the impact of higher costs, burdensome mandates and increased regulation that create competitive disadvantages with border communities and online retailers. This legislation will invest in Main Street Minnesota by offsetting some of the costs incurred by Minnesota's retailers for collecting and remitting sales taxes on behalf of the state.

28 States – including most of those bordering Minnesota – **currently provide retailers an allowance for the task of collecting and remitting the state sales tax.**

The United for Jobs Coalition supports providing an allowance to Minnesota retailers for the costs they incur in collecting and remitting the sales tax on behalf of the state. All retailers would benefit.

Businesses in Minnesota currently absorb 100% of the costs associated with collecting and remitting state sales taxes. The costs include training employees, programming point-of-sale systems, accounting, remitting and audits. These administrative costs are in addition to the high state and local taxes placed on our retailers. Minnesota retailers already face excessive burdens. Minnesota has the 2nd highest state taxes, according to a recent KPMG/Tax Foundation study, Location Matters.

United for Jobs supports legislation that would allow retailers to deduct and retain – up-front – a small portion of the retailer's tax liability for the specific remittance period. Under the proposal, a retailer would keep 0.3% of the first \$10,000 – plus 0.15% of any amount exceeding \$10,000 – of sales tax collected as a vendor. This allowance would help level the playing field with their competitors who do not incur this cost.

IT'S A FACT!

It costs the average retailer 3.09% of the tax it collects to administer state and local taxes.

-PriceWaterhouseCoopers report, 2006

A blue callout box with a jagged top edge, containing the text "IT'S A FACT!" in large yellow letters, followed by a summary of the fact in white text, and a citation in smaller white text at the bottom.

Urge Legislators and the Governor to invest in Main Street Minnesota growth by supporting a vendor collection allowance in the omnibus tax bill in the 2017 session.

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 lack of a vendor collection allowance impacts your company. Contact Jennifer Byers to schedule a legislator plant tour and/or testimonial at 651.292.4673 or jbyers@mnchamber.com.