

Repeal or conform the estate tax, make Minnesota more family-business friendly

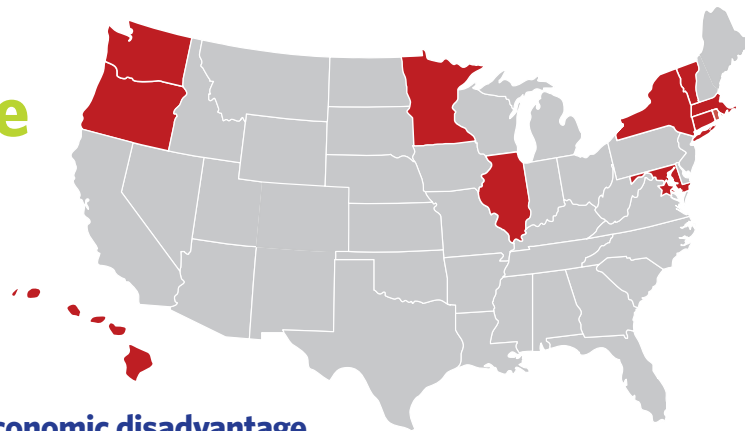
MINNESOTA
CHAMBER OF
COMMERCE

GROWING MINNESOTA

Family businesses are a mainstay of Minnesota's economy. They attract and retain economic vitality and fuel future entrepreneurship. But Minnesota is one of only 12 states that still taxes family businesses as they pass from one generation to the next, making it difficult to compete with other states.

The Minnesota Chamber supports repeal of Minnesota's estate tax or at the very least conformity with the federal estate tax threshold to ease transfers of family businesses and farms allowing Minnesota's family businesses to thrive for generations to come. Repeal of estate tax will also make Minnesota more attractive for retaining and attracting entrepreneurs, retirees and investments.

Minnesota is one of only 12 states that still has an estate tax.



The estate tax puts Minnesota at an economic disadvantage

- The estate tax hits family businesses and farms especially hard, as they have high value, but non-liquid assets. Paying high taxes presents serious challenges to passing on these businesses.
- The estate tax, plus the high individual income tax, create a large financial incentive for more affluent Minnesotans to change their permanent residences.
- Minnesota loses not only these tremendous community assets but also will lose tax revenue by driving more affluent residents out of the state.

COSTS MATTER

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.



72% cited state taxes as a key factor.

SOURCE: 2016 research from Twin Cities Business



The Legislature must act

- Repeal the estate tax to make Minnesota more competitive and family-business friendly.



Albert Lea-Freeborn County Chamber of Commerce
Alexandria Lakes Area Chamber of Commerce
Apple Valley Chamber of Commerce
Associated Builders and Contractors
Austin Area Chamber of Commerce
Bemidji Area Chamber of Commerce
Brainerd Lakes Area Chamber of Commerce
Builders Association of the Twin Cities
Building Owners & Managers Association (BOMA) St. Paul
Burnsville Chamber of Commerce
Cloquet Area Chamber of Commerce
Cuyuna Lakes Chamber of Commerce
Dakota County Regional Chamber of Commerce
Duluth Area Chamber of Commerce
Eden Prairie Chamber of Commerce
Elk River Area Chamber and Commerce
Faribault Area Chamber of Commerce & Tourism Bureau
Fergus Falls Area Chamber of Commerce
Grand Rapids Area Chamber of Commerce
Greater Mankato Growth, Inc.
Greater Minneapolis Building Owners and Managers Association
Hastings Area Chamber of Commerce & Tourism Bureau
Hibbing Area Chamber of Commerce
Hospitality Minnesota
Insurance Federation of Minnesota
International Falls Area Chamber of Commerce
Iron Mining Association of MN
Lake City Area Chamber of Commerce
Lakeville Area Chamber of Commerce & CVB
Laurentian Chamber of Commerce
Litchfield Chamber of Commerce
Marshall Area Chamber of Commerce
Medical Alley Association
Metalcasters of Minnesota
MetroNorth Chamber of Commerce
Midwest Food Processors Association
Minnesota AgriGrowth Council
Minnesota Bankers Association
Minnesota Beverage Association

Minnesota Business Partnership
Minnesota Chamber of Commerce
Minnesota Chamber of Commerce Executives
Minnesota Forest Industries
Minnesota Grocers Association
Minnesota High Tech Association
Minnesota Milk Producers Association
Minnesota Nursery & Landscape Association
Minnesota Pork Producers Association
Minnesota REALTORS
Minnesota Recruiting and Staffing Association
Minnesota Retailers Association
Minnesota Shopping Center Association
Minnesota Ski Areas Association
Minnesota Society of CPAs
Minnesota Trucking Association
Minnesota Utility Investors
Minnesota Mechanical Contractors Association
Minnesota Precision Manufacturing Association
National Federation of Independent Business
New Ulm Area Chamber of Commerce
Owatonna Area Chamber of Commerce & Tourism
Pipestone Area Chamber of Commerce & CVB
River Heights Chamber of Commerce
Rochester Area Chamber of Commerce
Shakopee Chamber & Visitors Bureau
SouthWest Metro Chamber of Commerce
St. Cloud Area Chamber of Commerce
The Chamber Grand Forks & East Grand Forks
Tri-State Manufacturers' Association
Twin Cities North Chamber of Commerce
TwinWest Chamber of Commerce
Waconia Chamber of Commerce
White Bear Area Chamber of Commerce
Willmar Lakes Area Chamber of Commerce
Winona Area Chamber of Commerce
Woodbury Area Chamber of Commerce
Worthington Area Chamber of Commerce



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