



November 20, 2020

The Honorable Tim Walz
Governor, State of Minnesota
75 Rev. Dr. Martin Luther King Jr. Blvd.
Suite 130
St. Paul, MN 55155

Dear Governor Walz:

Since the outbreak of COVID-19, the business community has shared the responsibility of balancing the need for public health protections while absorbing the economic blows from the loss of customers and business activity. Small and mid-sized Minnesota based businesses in certain industries have been severely impacted. Following the limits placed on operations and capacity since March of this year and now with the new pause in operations until December 18, their economic future is more precarious than ever before.

We share the goal to limit spread of the virus and protect the private sector economy. The impact of community spread on businesses through the loss of workforce and customers is a serious matter. At the same time, businesses most directly impacted by closures, especially with very short notice, deserve assistance from government.

Immediate, targeted assistance is needed for these employers to remain viable. We ask that when the December Special Session convenes, your administration and the legislature provide the following support to those businesses and their employees most at risk of closure:

- Replenish the Small Business Grant Relief Program passed in June in the first Special Session and increase the available grant amounts as the need greatly surpassed the initial allocation. Impacted businesses simply cannot take on more debt. Cash for operations is urgently needed.
- Provide a quick refund request option for businesses that have overpaid estimated taxes in Minnesota. This is currently allowed at the federal level (Federal Form 4466).
- Allow for a six-month extension of the sales tax remittance.
- Provide property tax relief through an abatement process for property taxes paid in 2020.
- Provide an automatic extension of estimated income tax payments with waiver of penalties and interest for business taxpayers until April 15.
- Waive or delay other state-imposed fees such as general business or industry specific annual licensing fees until spring 2021.
- Create a temporary state tax credit for food donations for those businesses that have donated inventory that cannot be used due to shutdowns.

- Temporarily allow unused Workforce Development Fund dollars to be repurposed to provide relief directly to impacted businesses (the fund currently has a \$30 million balance).
- Continue to ensure that unemployment insurance claims made related to the COVID-19 pandemic are not counted against employers' experience rating.
- Return a proportional amount of the state Renewable Development Account for Xcel customers to impacted businesses in the form of a bill credit that is equivalent to the amount which the business paid in. Suspend Renewable Development Account assessments for these businesses for a minimum of six months beginning 1/1/2021.

Businesses most at risk of permanent closure include those in the hospitality industry, health and fitness facilities, event and entertainment facilities, and any business that has experienced state imposed restrictions and operating limitations from executive orders in effect since May 2020.

These initial, immediate requests are intended to help with cash flow for businesses to survive during the shutdown. The Minnesota Chamber is currently developing a more comprehensive economic recovery action steps for policymakers to consider in the 2021 legislative session.

Finally, we have joined with you in urging Minnesota's congressional delegation to act immediately to provide federal relief and support to Minnesota employers to blunt these devastating economic impacts. We expect the State of Minnesota will also do its part.

Thank you for your consideration and prompt action.

Sincerely,



Doug Loon
President
Minnesota Chamber of Commerce

cc: Speaker Melissa Hortman, Senate Majority Leader Paul Gazelka, Senate Minority Leader Susan Kent, House Minority Leader Kurt Daudt, Commissioner Steve Grove, Commissioner Jan Malcolm, Patrick Tanis