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## **Long-awaited tax provision will help small business, farmers** *Conforming to federal section 179 will encourage investment in Minnesota*

St. Paul, MN (10/15/20) – Members of the Invest in Minnesota Coalition applauded legislators today, for passing a bill to conform to section 179 expensing. Section 179 of the federal tax code dictates when businesses can deduct the cost of purchasing certain equipment. In 2019, Minnesota conformed to some federal tax reforms, but not many of the expensing provisions. This put small businesses and farmers at a disadvantage and hit many with retroactive bills.

**“Now more than ever, it’s critical to support Minnesota small businesses, as we all continue to feel the impact of the pandemic,”** said Doug Loon, President of the Minnesota Chamber of Commerce, a founding member of the Invest in Minnesota Coalition. **“Thanks to the elected officials who took this step to invest in the employees and communities which these businesses and farms support. This helps lay the foundation to help Minnesota’s economy recover and grow, and retain and create jobs.”**

Aligning state and federal tax codes for section 179 expensing would:

- Help small businesses and farmers reinvest in Minnesota to help grow our economy.
- Fix retroactive tax increases.
- Improve Minnesota’s competitiveness as most states, including all of our neighbors, have conformed.
- Reduce tax compliance costs and complexity.
- Prevent Minnesota taxpayers from paying more in state taxes than they do on their federal income tax returns.

The Invest in Minnesota Coalition consists of over 70 business and agriculture organizations aligning Minnesota’s income tax with the federal rules to encourage greater business investment in Minnesota.

*Invest in Minnesota coalition partners include: AgCountry Farm Credit Services, AgriGrowth, Arrowhead Manufacturers and Fabricators Association, Associated Builders and Contractors of Minnesota and North Dakota, Associated General Contractors of Minnesota, Builders Association of Minnesota, Central Minnesota Manufacturers Association, Compeer Financial, Cooperative Network, Hospitality Minnesota, Housing First Minnesota, Lakes Area Manufacturers Alliance, MetalCasters of Minnesota, Minnesota Automobile Dealers Association, Minnesota Farm Bureau, Minnesota Chamber of Commerce, Minnesota Corn Growers Association, Minnesota Grocers Association, Minnesota Mechanical Contractors Association, Minnesota Petroleum Marketers Association, Minnesota Pork Producers Association, Minnesota Precision Manufacturing Association, Minnesota Retailers Association, Minnesota Rural Counties, Minnesota Society of CPAs, Minnesota Trucking Association, Minnesota Turkey Growers Association, NFIB, Pioneer Equipment, Printing Industry Midwest, and the Tri-State Manufacturers’ Association.*

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