

Anti-business agenda will stifle innovation, opportunity

There are long-term effects of these policies that need to be considered.

By Doug Loon

MAY 9, 2023 — 5:30PM

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Some 120 days ago, Minnesota had a near \$18 billion budget surplus. That's when the state started operating under single-party Democrat control for the first time in a decade. The midterm election last fall was far from a mandate, with Senate Democrats gaining a one-vote majority. Yet the oft-mentioned "trifecta" in St. Paul is debating and passing extreme anti-business policies at breakneck speed.

In these 120 days, the Legislature has debated and enacted policies that will impact every employer and employee in the state. This is not an attempt to spin a partisan line, but let's review the facts as they exist today.

The surplus is soon to be gone — promised to a nearly 40% spending increase. To support this growth in spending, Minnesotans are now facing \$10 billion in tax increases over four years, substantially on the backs of job creators.

Here's a sample of what is on the menu:

A new fifth-tier income tax rate at 10.85% that hits small business the hardest, plus a higher capital gains tax at 13.85%, on top of a corporate rate that will be the highest and most punitive in the nation. Families face increases too, from a metro area sales tax to a retail delivery fee ... the list goes on.

This week, the House passed a sweeping paid leave mandate, which includes 18-20 weeks of mandated leave, run by a new government agency with 400 new government employees — paid for by \$1.5 billion in new annual payroll taxes on employers.

While some might take pride in making Minnesota the "laboratory in pushing progressive policy," employers are watching with shock and concern.

Policies passed in one short legislative session could irrevocably undermine Minnesota's long-held economic legacy. Minnesota is the state that brought the world sticky notes and computer chips. Our state's impressive business acumen continues to innovate, from medical devices to

agribusiness to artificial intelligence in manufacturing. And small businesses are Minnesota's largest employer — supporting thriving communities throughout the state.

I wish I was using this forum today to tell you that we'd joined 27 other states in lowering taxes and costs to make ourselves more competitive. That's what could have happened in the last few months. Instead, we're facing a stranglehold on innovation and financial success for our citizens.

Minnesota can still be a great place for business. The formula for a successful growing economy is fostering investment, population and workforce. It encourages private sector development and creates economic opportunity for all Minnesotans. Our state has the bedrock elements in place: it's a state where big ideas are born and innovation and entrepreneurship are fueled by hard work.

Minnesota has clear challenges, especially around population and labor force growth. Rather than increasing taxes and regulations, Minnesota should work to build on our success and not become a state that resists investment and stymies opportunity.

We urge lawmakers to understand the long-term impact of their policies on our state and region. Our economic legacy is not something we can afford to lose.

Doug Loon is president and CEO, Minnesota Chamber of Commerce.