

FACT SHEET | Tax Cuts for Businesses

Budget for a Better Minnesota

Minnesota's growing economy has added 149,000 new jobs since 2011. Forbes recently ranked Minnesota the eighth best place to do business in the nation, and our state had the fifth-fastest growing economy in the country in 2012. Early in this legislative session, Governor Dayton signed a tax bill into law that builds on Minnesota's strong economic growth, and will make our state an even more competitive place to do business.

Reducing Business Sales Taxes

- **Electronic, Farm and Commercial Equipment Repair Tax.** The sales tax on repair and maintenance of electronic and commercial equipment has been repealed. This includes repair and maintenance of farm equipment.
- **Warehousing and Storage Services Tax.** The warehousing sales tax that was set to take effect on April 1, 2014, has been repealed.
- **Telecommunications Equipment Tax.** The sales tax on telecommunications equipment has been repealed.

Reducing and Simplifying Taxes for Minnesota Businesses

- **Simplifying Business Taxes.** The new law simplifies taxes for businesses, eliminating the need to maintain separate records for their federal and state income taxes.
- **Investing in Innovation and Job Growth.** Another \$3 million in Angel Investor Tax Credits will be available for startup businesses and entrepreneurs this year. This measure also provides \$15 million for the program in 2015, and \$15 million in 2016. A recent report showed this tax credit has already created 500 new jobs and spurred over \$100 million of new private investment in Minnesota's economy.
- **Simplifying Taxes for Restaurants and Retailers.** Restaurants, retailers, and other small shops will save time on their taxes. Right now, these businesses have to keep two sets of records for as long as 29 years, detailing their improvement expenses. The new law requires only one set of books.
- **Supporting Tuition and Adoption Assistance.** Businesses will be able to offer their employees tax-free tuition and adoption assistance. This will simplify tax filings, help businesses recruit the best and brightest, and help more families make the choice to adopt.