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## PRESS RELEASE

### **Small businesses say priorities are strategic investments in long-term prosperity**

A group of small-business owners kicked off the 2016 Legislative Session today with a message for policymakers: Large tax cuts aren't the answer for them. Instead they want public investments in the building blocks that provide Minnesota with a high-quality workforce, strong infrastructure, and shared prosperity for more hard-working Minnesotans.

"We don't want lawmakers to put at risk a strong economic future for the state by making large, untargeted tax cuts," said Todd Mikkelsen, owner of The RM Group, an architectural testing equipment developer and manufacturer. "We don't see how we would benefit much from the House tax bill as proposed. We're calling on legislators to instead invest in a broad, more durable prosperity – by supporting things like education, infrastructure and other supports for a solid workforce."

The House tax bill, which will be up for consideration again in 2016, proposes \$2 billion in tax cuts. Those cuts would make it impossible to fund crucial investments in critical components of economic success, according to Nan Madden, director of the Minnesota Budget Project. Proposals such as estate tax cuts and repealing the state property tax are poorly targeted and crowd out needed investments, she said. In addition, those tax cuts would be ineffective at spurring economic growth, and legislators only need to look at Kansas as an example.

"Kansas went all in with sweeping tax cuts in 2013 to spur economic growth," Madden said. "But the tax cuts haven't delivered, and instead economic growth and income growth in Kansas have slowed."

The business owners said they wanted to be part of the tax debate and have organized themselves to participate and ensure legislators hear their message.

“The small benefit I would get from a cut to my statewide property tax is not enough to impact my business model,” said Holly Hatch-Surisook, co-owner Sen Yai Sen Lek Thai noodle restaurant. “By combining my financial resources with others in the form of business property taxes, our state can ensure a more stable and resilient work force. As a business owner and a citizen, it’s important to me that the state uses our collective dollars to invest in an infrastructure that supports workers at my restaurant and in my community.”

According to these small business representatives, broadband infrastructure, high-quality education, or access to credit are investments that would better support broader and shared prosperity throughout the state.

“An extra \$1,000 a year doesn't offset the huge needs we have as a society that the state has fallen behind on,” said Jason Rathe, owner Field Outdoor Spaces, a landscape company. “What would help my employees is less expensive and flexible child care.”

The group, which includes members from Main Street Alliance and MetroIBA, is calling on small businesses across the state to join them in calling on legislators to make strategic investments instead of making large, poorly targeted tax cuts. Interested business owners should visit:

[www.mainstreetalliance.org/investment\\_not\\_cuts](http://www.mainstreetalliance.org/investment_not_cuts).

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*The [Minnesota Budget Project](#), an initiative of the Minnesota Council of Nonprofits, provides nonpartisan analysis and research to expand opportunity and economic well-being for all Minnesotans.*

*The Main Street Alliance of Minnesota is a coalition of small business owners that take on leadership roles in their community. They voice their opinions on the most pressing public policy issues and work to promote vibrant local economies and healthy communities.*

*[MetroIBA](#) is a non-profit organization working to support and preserve locally owned, independent businesses in the Twin Cities region. MetroIBA's mission is to help the Twin Cities maintain its unique community character, provide continuing opportunities for entrepreneurs, build economic strength, and create an environment where locally owned, independent businesses grow and flourish.*

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