

April 2, 2007



Editorial Board
St. Cloud Times
St. Cloud, MN 56301

Dear Editorial Board:

I am writing on behalf of the St. Cloud Area Chamber of Commerce Board of Directors to voice our disappointment and frustration with the Senate tax bills that were passed last Friday and Saturday (SF 1024 and SF 1611).

Every business owner in the St. Cloud area will feel the impact of these bills. With no alternative, the additional costs to businesses will certainly be passed on to consumers as price increases and inflation. The overall impact will be a declining state economy we cannot afford.

We are concerned about the impact of a statewide business property tax increase of \$222 million in FY 2008-09 that grows to \$476 million in FY 2010-11. In our pre-session meetings with legislators we stressed the importance of protecting the property tax reform chambers of commerce achieved for our members in 1998. Minnesota businesses already have three times the property tax burden of homeowners and pay among the highest property taxes in the country.

The Senate is also supporting the highest personal income tax bracket in the country at 9.7%. Our Chamber views this as a tax on our small business owners, partnerships and sole proprietors who run their business income through their personal taxes. The long-term impact of such a tax increase is to run small businesses out of Minnesota, just as retirees with accumulated assets have been run out before them.

Small businesses are the life-blood of our Chamber of Commerce and our community. This \$1.5 billion tax increase sends an alarming message of disregard for the future of our state's economy and the businesses, small and large, rural and metro, that provide jobs to Minnesota citizens.

Sincerely,

Teresa Bohnen
President