

Don't penalize business for pandemic unemployment

Legislators will debate how to restore the depleted Unemployment Insurance Trust Fund this legislative session. But businesses shouldn't be penalized and taxed to repay the state's unemployment debt and return the Trust Fund to its pre-pandemic level while still recovering from the COVID-19 pandemic. Especially when federal and state funds were and are available to cover this pandemic-related expense.

FACT

Minnesota's Unemployment Trust Fund faces a **\$1.13 billion deficit.**

FACT

Lawmakers have a **\$7.7 billion budget surplus.**

FACT

Lawmakers have over **\$1 billion in federal funds and billions in reserves.**

When businesses were shut down early in the pandemic, hundreds of thousands of workers accessed unemployment insurance. By May of 2020, unemployment hit a record high 11.3%, and the state's unemployment insurance system processed nearly 800,000 applications. This emptied the Unemployment Insurance (UI) Trust Fund that now has a deficit of over \$1 billion. At the same time, relief funds flooded into the state. The federal Coronavirus Aid, Relief and Economic Security (CARES) Act provided \$2 billion and the federal American Rescue Plan Act (ARPA) provided \$2.83 billion, to help with pandemic related expenses. Most other states - 31 of them, to be exact - used relief funds to replenish unemployment. But Minnesota didn't use a dime for this purpose.



If policymakers don't act, employers will be hit with double digit payroll tax increases.



The Legislature must act

- Use existing funds to restore the state's UI Trust Fund to solvency



Albert Lea-Freeborn County Chamber of Commerce
 Alexandria Lakes Area Chamber of Commerce
 Anoka Area Chamber of Commerce
 Apple Valley Chamber of Commerce
 Associated Builders and Contractors
 Associated General Contractors of Minnesota
 Austin Area Chamber of Commerce
 Bemidji Area Chamber of Commerce
 Big I Minnesota
 Brainerd Lakes Area Chamber of Commerce Builders
 Association of Minnesota
 Builders Association of the Twin Cities
 Building Owners & Managers Association (BOMA) St. Paul
 Burnsville Chamber of Commerce
 Cloquet Area Chamber of Commerce
 Cuyuna Lakes Chamber of Commerce
 Dakota County Regional Chamber of Commerce
 Duluth Area Chamber of Commerce
 Eden Prairie Chamber of Commerce
 Elk River Area Chamber and Commerce
 Faribault Area Chamber of Commerce & Tourism Bureau
 Fergus Falls Area Chamber of Commerce
 Grand Rapids Area Chamber of Commerce
 Greater Mankato Growth
 Greater Minneapolis Building Owners and Managers Association
 Greater Stillwater Chamber of Commerce
 Greater St. Paul Building Owners and Managers
 Hastings Area Chamber of Commerce & Tourism Bureau
 Hermantown Area Chamber of Commerce
 Hibbing Area Chamber of Commerce
 Hospitality Minnesota
 Housing First
 Hutchinson Area Chamber of Commerce
 Insurance Federation of Minnesota
 International Falls Area Chamber of Commerce
 Iron Mining Association of MN
 Lake City Area Chamber of Commerce
 Lake County Chamber of Commerce
 Lakeville Area Chamber of Commerce & CVB
 Laurentian Chamber of Commerce
 Litchfield Chamber of Commerce
 Marshall Area Chamber of Commerce
 Medical Alley Association
 Metalcasters of Minnesota
 MetroNorth Chamber of Commerce
 Midwest Food Products Association
 Minnesota AgriGrowth Council
 Minnesota Association of Convention and Visitors Bureaus
 Minnesota Association of Public Accountants
 Minnesota Automobile Dealers Association
 Minnesota Bankers Association
 Minnesota Beverage Association
 Minnesota Business Partnership
 Minnesota Chamber of Commerce
 Minnesota Chamber of Commerce Executives

Minnesota Child Care Association
 Minnesota Contractors of the National Electrical
 Contractors Association
 Minnesota Crop Production Retailers
 Minnesota Drywall & Plaster Association
 Minnesota Environmental Contractors Association
 Minnesota Floorcovering Contractors Association
 Minnesota Forest Industries
 Minnesota Grocers Association
 Minnesota Mechanical Contractors
 Minnesota Milk Producers Association
 Minnesota Nursery & Landscape Association
 Minnesota Painting and Wallcovering Employers Association
 Minnesota Pork Producers Association
 Minnesota REALTORS
 Minnesota Recruiting and Staffing Association
 Minnesota Retailers Association
 Minnesota Service Stations and Convenience Stores
 Minnesota Shopping Center Association
 Minnesota Ski Areas Association
 Minnesota Society of CPAs
 Minnesota Subcontractors Association
 Minnesota Technology Association
 Minnesota Telecom Alliance
 Minnesota Trucking Association
 Minnesota Utilities Contractors Association
 Minnesota Utility Investors
 Minnesota Mechanical Contractors Association
 Minnesota Precision Manufacturing Association
 NAIOP Minnesota
 National Federation of Independent Business
 National Shooting Sports Foundation
 New Ulm Area Chamber of Commerce
 Northfield Area Chamber of Commerce
 Owatonna Area Chamber of Commerce & Tourism
 Pipestone Area Chamber of Commerce & CVB
 Printing Industry Midwest
 Redwood Area Chamber & Tourism
 River Heights Chamber of Commerce
 Rochester Area Chamber of Commerce
 Shakopee Chamber & Visitors Bureau
 SouthWest Metro Chamber of Commerce
 St. Cloud Area Chamber of Commerce
 The Chamber Grand Forks & East Grand Forks
 The Independent Community Bankers of Minnesota
 Thermal Insulation Contractors Association Tri-State
 Manufacturers' Association
 Twin Cities North Chamber of Commerce
 Waconia Chamber of Commerce
 White Bear Area Chamber of Commerce
 Willmar Lakes Area Chamber of Commerce
 Winona Area Chamber of Commerce
 Woodbury Area Chamber of Commerce
 Worthington Area Chamber of Commerce



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