



Assistant Minority Leader

JUSTIN D. EICHORN

Representing the 6th District in Minnesota's Senate

Hello,

On May 2, the Senate Democrats passed their tax bill, and it's a complete disaster. Despite their campaign promises, their tax bill failed to provide any real relief to Minnesotans.

On the campaign trail, a number of Democrats promised to eliminate the tax on Social Security benefits. They broke that promise.

While their bill includes some small aids, credits, and rebates, most of the so-called "relief" is in the form of local government aid and county program aid. Those programs may have their benefits, but it's ultimately more government spending, not relief going in to your pocket.

To make matters worse, their tax bill raises taxes by \$1.2 billion through a new controversial mandatory worldwide reporting tax. Not a single other state in the country has this mandatory tax on the books. Remember: they have already proposed about \$10 billion in tax increases throughout their budget.

The bottom line is that Democrats promised to give us the surplus back, but they broke that promise.

During the floor debate, we offered a number of amendments to fix their bill, but unfortunately, Democrats rejected most of these amendments or ruled them out of order. Some of these amendments included creating a permanent and automatic refund program to ensure

taxpayers are first in line when there is a government surplus, requiring a supermajority vote to raise income taxes, eliminating the expiration of the childcare tax credit in 2030, restricting the use of public safety aid to only licensed peace officers, and prohibiting funds from going to cities or counties that took actions to "Defund the Police" through reduced funding for peace officers over the last four years.

The only small victory we achieved was when Republicans successfully amended the bill to expand the list of eligible baby products for a tax exemption. But it was not enough to save the bill from being disappointing overall.

Minnesota has a historic, absurdly large budget surplus of \$19 billion. There is no excuse to not provide relief. There is no excuse for failing to eliminate the Social Security benefits tax or reduce tax rates. And there is certainly no excuse for raising taxes, other than greed.

Small victories on property taxes

One of the most frequent topics I'm asked about is rising property taxes. With property values soaring and inflation putting pressure on family budgets, it's no surprise that so many people are concerned about this issue.

There is very little good news in the Senate tax bill, but it does include two provisions that aim to help combat skyrocketing property taxes. First, we've increased the Homestead Market Value Exclusion by approximately 25%, which is a property tax relief program that allows homeowners to exclude a portion of their home's market value from property taxes.

Under the proposal, you will now be able to exclude 40% of the first \$95,000 of market value of your home. For homesteads valued between \$95,000 and \$517,200, the exclusion equals \$38,000 minus 9% of the value over \$95,000.

Second, the Senate tax bill eliminates the 10% minimum on interest rates charged on delinquent property taxes, penalties, and costs, and authorizes county boards to establish a lower interest rate than the prime rate charged by banks.

Property taxes are a complicated issue because there are so many factors that go into it, but the bottom line is things are getting too expensive for regular working folks. These changes are a definite step in the right direction.

Contact me

If you have any questions or comments about the issues we are working on, please contact me anytime. My email is sen.justin.eichorn@senate.mn, or you can call me at 651-296-7079.

Don't forget to follow me on Facebook: <https://www.fb.com/SenatorJustinEichorn>.

It is a privilege to serve you!

Sincerely,

Justin D. Eichorn

Minnesota Senate, District 6
