

PRESS RELEASE

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Minnesota Taxpayers Association Holds 78th Annual Meeting of Members New Officers and Directors Elected

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The Minnesota Taxpayers Association held its 78th Annual Meeting of Members at the Sheraton Four Points Hotel in St. Paul, Wednesday, February 4, 2004, from 9:30 am to 1:30 pm. About 100 members and guests gathered to hear an in-depth presentation of the future of business taxation in Minnesota, followed by a luncheon panel consisting of the Speaker of the House Steve Sviggum (R, Kenyon); the new Senate Majority Dean Johnson (DFL, Willmar); and the newly appointed Governor's Chief of Staff and former Finance Commissioner Dan McElroy.

Those attending were given an overview of the theory of the Business Activities Tax, or BAT, by Joel Michael, Legislative Analyst for the non-partisan House Research Department. This overview was followed by a summary of a BAT study commissioned by the Legislature in 1997 and nearing completion. Dr. Laura Kalambokidis, Assistant Professor and Extension Economist at the University of Minnesota is the principal investigator in this study and discussed her methodology, goals, and timetable. The study is expected to be completed near the end of 2004 and presented to the Legislature in early 2005. As Mr. Michael explained, the primary feature of the BAT is that it is a tax on value added rather than on profits. As such, it is best applied as a means of recovering costs to government for services provided to business. Dr. Kalambokidis showed that the primary benefit of the study she is working on will be a powerful data base of nearly all businesses in Minnesota by which the implications of the BAT and other forms of business taxes can be studied.

The BAT presentation was followed by an update on the Streamlined Sales Tax Project, given by Pat Dalton and Jean LeFevre, both of House Research. Ms. Dalton detailed what Minnesota has done and still has to do in order to comply fully with the Project, a significant voluntary undertaking by most sales tax states to try to simplify and standardize sales tax definitions across jurisdictions. This simplification is seen as essential in order for Congress to overturn the Supreme Court's restrictions on states' ability to require remote sellers to collect the use tax owed on Internet or catalog purchases. Ms. LeFevre noted that Congress is not likely to act to overturn the current restriction (known as the *Quill vs. North Dakota* case) in an election year, but explained how the process will likely work when they do act.

At the business meeting portion of the event, held after a lively exchange by the legislative and administration leaders, MTA members elected the following directors to five year terms on its board of directors:

<u>Name</u>	<u>Affiliation</u>
Glenn Dorfman	MN Association of Realtors
John Kinsella	USBancorp
Larry Gordon	Hormel
Steve Jurek	Gold'n Plump Poultry

Tom Muck	Fredrickson & Byron
Mike Nelson	RMS McGladrey
Herb Minke	Allete/MN Power
Jack Windhorst	Dorsey & Whitney
Joe Pierce	United States Steel Corp

The newly constituted board of directors then met to elect the following officers for the coming year:

<u>Name</u>	<u>Office</u>	<u>Affiliation</u>
Ken Levinson	President	KPMG
Ernie Harper	Vice President	General Mills
Dan Peterson	Immediate Past President	Larson, Allen, Weishair, Inc.
Sandy Navin	Secretary	Retired
Jerry Geis	Assistant Secretary	Briggs & Morgan
Don Stiles	Treasurer	Retired

These six officers plus Hal Lofgreen, Professor of Economics at St. CloudState University, Bill Brooks, and Malcolm McDonald (both retired), comprised the most recent Executive Committee of the Association. To these 9 directors were added Renotta Young of the Mayo Clinic and Margaret Osborne of Medtronic, Inc., for a newly constituted Executive Committee of 11 directors.