

Councilmember _____ introduced the following resolution and moved for its adoption:

RESOLUTION #21-046

RESOLUTION SUPPORTING LEGISLATION ADOPTING MINNESOTA TAX CONFORMITY FOR PAYROLL PROTECTION PLAN (PPP) LOANS

WHEREAS, Minnesota businesses are struggling to retain employees and stay open as the impacts of the COVID19 pandemic continue; and

WHEREAS, many Ramsey businesses will face an unexpected tax bill if legislators and Gov. Tim Walz fail to pass an early tax conformity bill; and

WHEREAS, Congress provided an additional lifeline to businesses in December by authorizing a second round of Paycheck Protection Program (PPP) loans and setting clear guidance about the federal tax treatment of forgiven loans and deducting allowed expenses; and

WHEREAS, without action by the Minnesota Legislature to pass a bill conforming to the federal changes, forgiven PPP loans will be taxed as income on Minnesota tax returns; and

WHEREAS, further deduction conformity is needed for businesses that paid for allowed expenses with forgiven, untaxed PPP loans; and

WHEREAS, SF 263 and HF 501 have been introduced in the Minnesota Senate and House, and this legislation would provide for conformity on PPP loans and it would also allow S Corps to file taxes as a C Corp to allow SALT taxes above \$10,000 to be deducted on the federal returns of Minnesota businesses; and

WHEREAS, delays in passing this legislation is problematic as a tax-filing deadlines are quickly approaching.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

- 1) That the City of Ramsey hereby supports and encourages the Minnesota legislature and Governor Walz to adopt quick passage of SF 263 and HF 501 for the benefit of Ramsey businesses.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon vote being taken thereon, the following voted in favor thereof:

Mayor
Councilmember
Councilmember
Councilmember

Councilmember
Councilmember

and the following voted against the same:

None

and the following abstained:

None

and the following were absent:

Existing Vacancy

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 8th day of February, 2021.

Mayor

ATTEST:

City Clerk