



2026 Minnesota Chamber Federation priorities

Minnesota enjoys great strengths as state: a highly developed, innovative and diverse economy, a skilled and reliable workforce along with best in class health care, quality infrastructure and enviable natural resources that all contribute to and enhance our quality of life. A growing, successful private sector economy funds and supports this high quality of life and the programs and services many Minnesotans rely on.

The Minnesota Chamber Foundation has reported key metrics that show a state economy that has both strong positives and negatives:

- The [2025 State of Business and Expansion in Minnesota report](#) shows elevated business expansion counts, foreign direct investment and business investment across a diverse range of industries and regions. At the same time, it also flags rising operational costs in the state, federal trade policies impacting economic growth and trailing expansion activity compared to neighboring states, with a rise in the number of Minnesota based companies locating investments outside of the state.
- The [2026 Business Benchmarks](#) report shows Minnesota's economy is no longer keeping pace with the nation. The state has fallen behind on nearly every measure of growth. From 2019 to 2024, Minnesota ranked 33rd in GDP growth, 39th in job growth, 40th in labor force growth and 46th in growth of (real median) household income. Meanwhile, more people are leaving our state than moving here.

The state's economy is capable of strong and sustained growth, but costs are too high, demographics are challenging, and a sense of urgency and vision for the state's economic future need to be articulated and agreed upon.

Minnesota's economic imperative must be a state that champions the private sector economy, promotes investment and supports policy that drives economic growth and opportunity.

Our success toward reaching this goal can be measured in the following ways:

- Prosperity (GDP per capita): Growth results in rising wages, higher standards of living and is correlated with incomes and purchasing power.
- Workforce (Labor force growth): Economic growth is a function of productivity and labor growth. Minnesota's labor force growth has been essentially flat for a decade.
- Migration (Net domestic migration): Population changes do not just impact the workforce but can be a barometer of our state's attractiveness to people who are choosing where to live and work.

The Chamber Federation recognizes that Minnesota's economy is not determined solely by policy choices at the state level. However, these policies have real impacts on the thousands of decisions made by business owners every year to invest, expand and grow here. The 2026 legislative session will provide another opportunity for the governor and legislators to address a variety of policy areas that directly impact Minnesota's competitiveness and future growth:

TAXES - Improve competitiveness

Minnesota is uncompetitive across nearly all tax categories. This has been the case since 2008, which was the last time Minnesota was outside of the top 10 states for state and local tax burden. Since 2021, 29 states have reduced their income tax, corporate sales tax or both. Minnesota is losing ground by standing still. Improving tax levels and structure can incentivize investment, expand the economy, and strengthen our ability to compete nationally and globally.

WORKPLACE MANDATES - Employer-focused flexibility

Minnesota businesses are in a state of significant state government-mandated transition as they adjust to and budget for expanded mandated paid leave laws; minimum wage increases on small businesses; and new regulatory standards

for specific industries, among many other new workplace mandates enacted in the 2023-2024 legislative session. These mandates stymie business growth, stagnating investment and the tax base for Minnesota. A more employer-focused, balanced approach using the least restrictive, non-redundant regulation is necessary. Beyond broader efforts to improve the structural regulatory and compliance environment in Minnesota, it is imperative to make swift adjustments to uncompetitive new laws, such as paid family and medical leave, if needed as part of implementation.

ENVIRONMENT - Balance regulations with protections

Minnesotans live, work and recreate in our outdoor economy and we have nation- and world-leading manufacturing. In the agricultural sector, our farmers are the top producers of turkeys and sugar beets, and are among the top ten in pork, milk and egg production. However, the process for acquiring air, land and water permits in Minnesota takes too long, costs too much and is too uncertain for private sector investment, which in turn drives economic growth to neighboring states and states with similar economies. The Minnesota Chamber Foundation [reported various challenges with the state's permitting process](#), which has been a roadmap for policy improvements. Additionally, arbitrary bans and burdensome reporting requirements on products with little to no impact on human health or the environment drive commerce outside of Minnesota.

MINNESOTA CHAMBER FEDERATION PRIORITIES FOR THE 2026 SESSION INCLUDE:

- Conforming to pro-growth tax policies contained within the 2025 federal tax bill, particularly bonus depreciation, Section 179 expensing, research and experimentation expensing and the pass-through deduction. Adopting these policies will encourage investment and competitiveness. Failure to conform risks further compromising our position in the competitive landscape of tax policy among the states.
- Implementing and making needed adjustments to the state's Paid Family and Medical Leave mandate. The Legislature must address operational challenges for both employers and employees to ensure that the program is functional, cost controlled and responsive to workplace dynamics. The potential for fraud must be closely monitored and eliminated.
- Implementing reforms to the state's environmental permitting system made in the 2025 session. The Chamber Foundation's [2025 scorecard update](#) tracks progress on these reforms and has found that agencies made partial improvements internally, but still experience significant challenges.
- Addressing costs: The Chamber's annual business survey states that after reducing high tax rates, the highest priority for policymakers is bringing down costs. State policies can significantly increase costs for energy, health care and housing which directly impact employers' ability to provide goods and services at competitive prices and employees' ability to afford their lives.

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Albert Lea Freeborn County Chamber of Commerce
Alexandria Lakes Area Chamber of Commerce
Anoka Area Chamber of Commerce
Apple Valley Chamber of Commerce
Austin Area Chamber of Commerce
Bemidji Chamber of Commerce
Big Lake Chamber of Commerce
Brainerd Lakes Chamber
Burnsville Chamber of Commerce
Cloquet Chamber of Commerce
Cottage Grove Chamber of Commerce
Cuyuna Lakes Chamber of Commerce
Dakota County Regional Chamber of Commerce
Detroit Lakes Regional Chamber of Commerce
Duluth Area Chamber of Commerce
The Chamber Grand Forks - East Grand Forks
Eden Prairie Chamber of Commerce
Elk River Area Chamber of Commerce
Fairmont Area Chamber of Commerce
Fargo Moorhead West Fargo Chamber of Commerce
Faribault Area Chamber of Commerce and Tourism
Fergus Falls Area Chamber of Commerce

Forward Worthington
Glenwood Lakes Area Chamber of Commerce
Grand Rapids Area Chamber of Commerce
Greater Mankato Growth Inc.
Greater Stillwater Chamber of Commerce
Hastings Area Chamber of Commerce & Tourism Bureau
Hermantown Area Chamber of Commerce
Hibbing Area Chamber of Commerce
Hutchinson Area Chamber of Commerce
I-94 Chamber of Commerce
International Falls Chamber of Commerce
Lake City Chamber of Commerce
Lake County Chamber of Commerce
Lakeville Area Chamber of Commerce & CVB
Laurentian Chamber of Commerce
Litchfield Chamber of Commerce
Lonsdale Chamber of Commerce
Marshall Area Chamber
MetroNorth Chamber of Commerce
Minneapolis Regional Chamber of Commerce
New Prague Chamber of Commerce
New Ulm Area Chamber of Commerce
Northfield Area Chamber of Commerce & Tourism

Owatonna Area Chamber of Commerce and Tourism
Park Rapids Lakes Area Chamber and Tourism
Pipestone Area Chamber of Commerce
Red Wing Chamber of Commerce
Redwood Falls Area Chamber and Tourism
River Heights Chamber of Commerce
Rochester Area Chamber of Commerce
Saint Cloud Area Chamber of Commerce
Sauk Centre Area Chamber of Commerce
Shakopee Chamber and Visitors Bureau
Southwest Metro Chamber of Commerce
St. Anthony Chamber of Commerce
St. Paul Area Chamber of Commerce
Thief River Falls Chamber of Commerce
Twin Cities North Chamber of Commerce
Waconia Chamber of Commerce
Waseca Chamber of Commerce
White Bear Area Chamber of Commerce
Willmar Lakes Area Chamber of Commerce
Windom Chamber of Commerce
Winona Area Chamber of Commerce
Woodbury Area Chamber of Commerce