

Tax Expenditure Review Commission

Meeting Minutes

November 5, 2025

Hybrid Meeting – MN Capitol G3/Zoom

Co-Chair Greg Davids called the meeting of the Tax Expenditure Review Commission (TERC) to order at 12:00 PM.

Members Present:

Rep. Esther Agbaje (Co-Chair)
Rep. Greg Davids (Co-Chair)
Sen. Doron Clark (Vice Chair)
Sen. Mark Koran
Commissioner Paul Marquart
Rep. Kristin Robbins
Sen. Bill Weber

Members Excused:

Sen. Matt Klein
Rep. Andy Smith

A quorum was present.

Review and Approval of September 11, 2025 Meeting Minutes

The meeting minutes from September 11, 2025 were approved as presented.

Minnesota Statutes 2024, section 3.8855, subdivision 5(a)(9) Process Discussion

Co-Chair Agbaje presented a tax expenditure evaluation process proposal from the Co-Chairs for the Commission's consideration. Commission questions and discussion followed. Legislative Budget Office (LBO) staff were directed to create a tax expenditure evaluation worksheet for the Commission, using the previously presented Massachusetts template as a model, and provide the worksheet to the Commission for approval at the next meeting.

Marriage Penalty Credit Tax Expenditure Evaluation Presentation

Alyssa Holterman Rosas, Lead Budget Analyst with the LBO, and Carlos Güereca, Lead Analyst with the LBO, presented the Marriage Penalty Credit Tax Expenditure evaluation. Commission questions and discussion followed.

Solar Energy Systems/Wind Energy Conversion Systems Tax Exemptions Evaluation

Carlos Güereca, Lead Analyst with the LBO, and Thomas Raney, Program Evaluator with the LBO, presented the Solar Energy Systems Tax Exemption and Wind Energy Conversion Systems Tax Exemption evaluation. Commission questions and discussion followed.

Commission direction to staff

Co-Chairs Agbaje and Davids requested that LBO staff draft a written procedure for evaluating tax expenditures based on Commission discussion and preferences from today's meeting, and present that draft for Commission approval at the December meeting. The Co-Chairs stated that their intent is for the Commission to begin using the procedure, once approved, to make recommendations – with the first tax expenditure recommendation vote taking place in January 2026.

Agenda items for next meeting

LBO Director Christian Larson noted that, based on conversations with the Co-Chairs, there will be three tax expenditure evaluations on the agenda for the next meeting: one related to small alcohol producers, one related to utilities, and one related to lawful gambling. Director Larson also noted that the data center tax expenditure evaluation will be presented at the first meeting in January and that the second January meeting will be a review of the Commission's work for the year and the TERC annual report.

Adjournment

There being no further business, the meeting adjourned at 1:20 PM.