



## **Minnesota REALTORS<sup>®</sup> Defeat Sales Tax on Real Estate Services—August 2013**

It wasn't the first time that a tax on real estate services was proposed in the state of Minnesota, but this time, with a major deficit looming and all branches of the state government under one party's control, the threat was more serious than ever. Shortly after the Minnesota Association of REALTORS<sup>®</sup> (MNAR) began to see the writing on the wall, it contacted the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> and began to make a plan.

"The Governor was proposing a sales tax on services that would include not only the services of REALTORS<sup>®</sup>, but so many other components of real estate transactions, from mortgage brokerage, to inspections, to appraisals and surveying," explains Christine Berger, Senior Director of Public Affairs for the 17,000-member state association. "We estimated that these proposed taxes would add \$1,500 to the cost of buying and selling a \$250,000 home," she continues, "and guess who would be expected to absorb that cost?" Not only would the proposal create downward pressure on real estate professional' commissions, but it threatened to derail the state's fragile economic recovery driven by the real estate industry.

When the Governor announced his proposal, MNAR was ready with a five-month, multi-phase plan and fully mobilized members. A 'Rapid Response Unit' of REALTORS<sup>®</sup> in bright blue t-shirts occupied the front row of the Senate Tax Committee hearing the following day. Calls for Action generated a record response of calls to legislative offices. With the help of local associations, REALTORS<sup>®</sup> were bused in to the capital for an hour-long briefing, a free lunch, and a walk over to the state capitol to meet with their representatives; participating members received continuing education credit for their time and effort.

Political strategists at NAR helped the state association to craft its campaign to defeat the proposed taxes using a dedicated website, newspaper and online advertising, an online petition, patch-through phone calls, direct-mail and emails to homeowners. The campaign's rallying cry of "No Triple Tax!" had tested highly positive in polling NAR conducted early in the process.

When the Governor dropped the tax on services from his proposal – thanks, in part, to the unrelenting pressure of MNAR's campaign – the association kept up its offensive by shifting gears to a "Do No Harm" campaign aimed at preventing the House and Senate from including service sales taxes in their respective tax proposals later in the spring. It was a complete success.

The campaign had originally been budgeted at \$515,000, but because of its early effectiveness, it came in at just under \$200,000 when all was said and done. Of that, NAR provided approximately two-thirds of the cost in the form of an Issues Mobilization grant, and MNAR contributed the balance.



“We are so grateful to NAR, not only for its generous funding,” says Berger, “but also for providing us with first-class tools, like polling services, direct-mail design, and strategic planning.” Her members were “ecstatic,” at the outcome of their campaign. “They were impressed by how well it was run, and, of course, they liked the fact that it came in so far under-budget! Mostly, they were grateful that we won. We took the opportunity to remind them that it was their \$40 in REALTOR® Party dues to NAR that had come back to help us. We can all feel good about that.”

To learn more about how Minnesota’s REALTORS® kept a sales tax on real estate services off the table, contact Christine Berger, Senior Director of Public Affairs, MNAR, at [cberger@mnrealtor.com](mailto:cberger@mnrealtor.com) or 952.912.2665 / 800.862.6097 ext. 665.

### Campaign Ad and Mailer Helped Defeat the Sales Tax on Services

**TRIPLE NO TRIPLE TRIPLE TAXES**

**TELL THE LEGISLATURE: No Triple Tax on Homeownership!**

The legislature is considering **ANOTHER TAX** on homeownership.

Minnesotans already pay property taxes AND a registry or deed tax when they buy or sell a home.

All services involved in a home or property transfer could be taxed.

The new taxes could make it even harder to buy or sell a home.

**These taxes could cost you THOUSANDS OF DOLLARS.**

**Visit [NoTripleTax.com](http://NoTripleTax.com) today and sign the petition.**

Paid for by the Minnesota Association of REALTORS®  
Paid Political Advertisement

**TRIPLE NO TRIPLE TRIPLE TAXES**

**TELL THE CAPITOL: No Triple Tax on Homeownership!**

The legislature is considering another tax on homeownership.

Paid for by the Minnesota Association of REALTORS®  
5750 Lincoln Dr  
Edina, MN 55436

**Visit [NoTripleTax.com](http://NoTripleTax.com) today and sign the petition.**

**TELL YOUR LEGISLATOR: Don't Triple Tax Homeownership!**

John Doe  
District 13

**Tell the Capitol: No triple tax on homeownership!**

Minnesotans already pay property taxes and a registry or deed tax when we buy or sell a home. Hardworking Minnesotans can't afford another tax. It's time to tell the Capitol: No Triple Tax!

RIGHT NOW, the legislature is talking about expanding the state sales taxes to include certain real estate services – a move that may cost you thousands of dollars.

- All services involved in a home or property sale could be taxed.
- The new taxes will make it even harder to buy or sell a home. With the market just starting to recover, a new tax on homes is the last thing we need.

**Visit [NoTripleTax.com](http://NoTripleTax.com) today and sign the petition.**

**Tell the Capitol: Do No Harm to Housing! No Triple Tax!**