



MYTH:

Independent contractors are a tax loophole that employers use to cheat the government.

FACT:

Using industry specific tests eliminate loopholes. The current Minnesota trucking test makes it clear who really is self-employed and who owes what taxes.

Trucking specific tests clearly define independent contractor status and essentially eliminate confusion and litigation. Truck drivers aren't computer programmers. Real estate agents aren't nurses. These industries are very different from each other, and no single rule can be fair to them all. Each industry has its own regulations, laws, and standards that make it unique. To provide these entrepreneurs the opportunities they deserve, each industry should have its own legal standard to determine who is self-employed and who is an employee.

Less misclassification with industry test

Minnesota Transportation Warehousing	3% misclassification
Illinois Transportation	Not found to be an issue

More misclassification with single test

Minnesota Real Estate	32% misclassification
Illinois Construction	19.5% misclassification

Minnesota and Illinois have industry specific tests for transportation. Both states have found that misclassification is not an issue in industries with clear, industry specific tests such as trucking, **but that misclassification is a serious issue** in industries with generic, multifactor common law tests.

New York, Massachusetts, California, Michigan, and New Jersey continue to struggle with misclassification caused by generic, multifactor tests. Minnesota's current law that classifies drivers with an industry-specific definition provides clarity and predictability for the government, for workers, and for organizations so everyone knows what taxes are owed and who owes them.



Independent contractors are used to cheat the government out of taxes. No!
Independent contractors receive a 1099 and pay taxes like any other business.

MINNESOTA TRUCKING ASSOCIATION

6160 Summit Dr. N #330, Brooklyn Center, MN 55430
www.mntruck.org | mta@mntruck.org | 651.646.7351

We condemn misclassification wherever it occurs just as much as we defend it when legitimate.

**BEING AN INDEPENDENT CONTRACTOR IN TRUCKING IS
ALWAYS A CHOICE.**