



2016 WINTER PAC UPDATE

building for the future

As a company, we have a lot at stake in our nation's capital and in state capitals across the country. Elected officials make decisions that impact almost every aspect of our business. From taxes and trade, to privacy and alcohol licensing, decisions made by lawmakers have a huge impact on Target. It's important for Target to have strong, bipartisan relationships with key decision makers. TargetCitizens PAC is one of the ways we develop these relationships. Our PAC leverages the voices of our Team Members to advocate for the issues that matter most to our company.

As a part of Target's transformation, Brian and the rest of the Leadership Team challenged the PAC to grow by 25% in 2016. A lofty goal? You bet. But we're up to the task and know that with your help, we will make it happen! With this goal in mind, TargetCitizens PAC will engage HQ team members – with the help of current PAC members we're planning a full schedule of events for PAC members and asking that you bring a friend and introduce them to the PAC. Stay tuned for more details!

Do you have questions about the election season or the political process? Want to know more about the PAC? Wondering why we support some candidates and not others? Something you want to see in the next PAC newsletter? Please send us an email at patricia.richey@target.com.

the cost of running for Congress

Running for political office is expensive. How expensive? A typical U.S. Senate campaign costs \$10.5 million, which means that a Senate candidate needs to raise more than \$14,000 per day! A candidate running for the U.S. House of Representatives can expect to raise and spend \$1.7 million or more than \$2,300 per day! Even as they fulfill their duties in Congress, candidates spend a lot of time fundraising. As a reliable, bipartisan campaign contributor, TargetCitizens PAC has an opportunity to engage and educate policymakers running for office on issues that impact our business.

PAC Champion program

TargetCitizens PAC is excited to announce a new opportunity for our members. Are you a political junky? Are you looking for a way to be more involved in your community? Then the TargetCitizens PAC Champion program is for you! As a PAC Champion, Team Members will have the opportunity to partner with Target's Government Affairs team, influence local, state, and Federal policymakers. PAC Champions will also give PAC members the necessary tools to educate their peers on TargetCitizens PAC – what it is, its goals, and its importance to Target.

If you're interested in becoming a TargetCitizens PAC Champion, please contact Patty Richey, TargetCitizens PAC Manager, at patricia.richey@target.com.

federal update

The end of 2015 was a busy time for Congress with several new laws passed and signed by the President. One law repealed a portion of the Affordable Care Act which required Target to automatically enroll all new and existing Team Members in health insurance plans, regardless of their current insurance status (on a spouse's insurance, on a parent's insurance, etc.). Accounting for administrative fees and other expenses, this law would have cost Target \$35

million. With the help of Government Affairs, Pay and Benefits, and the TargetCitizens PAC, this provision of the ACA was successfully repealed.

Congress also passed the Protecting Americans from Tax Hikes (PATH) Act (they always have some fun [acronyms!](#)), which renewed or made permanent a number of expiring tax provisions that really matter to Target. Some, like the research and development credit, were made permanent while others were renewed for either two or five years. Why does this matter? All in all, these tax provisions saved Target more than \$250 million. Big win for Target thanks to the hard work of the Tax Team partnering with Government Affairs!

state update

2016 sessions are in full swing, and the impending November elections are shaping legislative agendas across the country. For most states, this is the second year of a two-year biennium, which means states will focus on spending priorities before getting back to their districts. So what is Target doing? We're putting the guest first. In several states, the state and local Government Affairs team is partnering with local lawmakers and store teams to add new products to our stores, such as distilled spirits in Florida and wine in Tennessee.

Working with the Floridians for Fair Business Practices, Target hopes to repeal a Florida law that requires retail stores to have a separate entrance and space where spirits can be sold. We're hard at work in 2016 with the goal of final repeal during the 2017 session (after the elections). In Tennessee, only six of Target's thirty-one stores are currently eligible to sell wine due to a limited grocery definition that we are seeking to amend. Cheers!



Guests who purchase alcohol are typically younger, more diverse, and more affluent – just the type of demanding enthusiast we want to attract.

Our largest-selling category is wine, followed by craft beer and cider – which also happen to be our two focus categories.

We carry alcohol in over **1,350** stores across **38** states.

TargetCitizens is a separate segregated fund organized under the Federal Election Campaign Act and was created for the purpose of making contributions to and expenditures on behalf of federal, state, and local candidates and other committees. TargetCitizens may only receive contributions from U.S. citizens and foreign nationals with permanent residency status. Contributions to TargetCitizens must be from personal funds and may not be reimbursed by any other source.

Any decision to contribute to TargetCitizens is voluntary; you have the right to refuse to participate without fear of reprisal. Contribution guidelines are merely suggestions; you are free to contribute at any level, or not at all. The amount given, or a decision not to give, will not benefit or disadvantage you. Contributions by payroll deduction may be changed or terminated at any time by contacting TargetCitizens@target.com.

Contributions to TargetCitizens are not tax deductible as charitable contributions for federal income tax purposes, and a donor may not receive a tax deduction for contributions made to charities through the PAC match program. Federal law requires TargetCitizens to use its best efforts to collect and report the name, address, occupation, and employer of each individual who contributes more than \$200 in a calendar year.