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accounting and regarder vices

Less than a month after Gov. Mark Dayton dropped his plans for a comprehensive overhaul of the state's tax system, Senate DFLers unveiled a plan Thursday, April 11, to make big changes in sales and corporate taxes.

Apr. 11, 2013

Tax reform is not dead in the Minnesota Legislature after all.

Less than a month after the state's Governor, Mark Dayton, dropped his plans for a comprehensive overhaul of the state's tax system, Senate DFLers unveiled a plan on Thursday, April 11, to make big changes in sales and corporate taxes.

They called for extending sales taxes to a wide range of personal services, such as haircuts, tattoos, manicures and dance lessons, as well as clothing and nonprescription drugs, while lowering the sales tax rates to 6 percent from the current 6.875 percent.

They would not, however, tax business-to-business services, such as legal, accounting and advertising — the parts of Dayton's proposal that sparked the fiercest opposition.

Sen. Ann Rest, DFL-New Hope, the chief architect of the plan, said the tax change should not mean a tax increase for consumers.

"We're striving for reform, not to raise revenue" to erase the state's budget deficit or increase funding for education, two of the Democratic-Farmer-Labor members' primary goals.

DFL senators plan to propose income tax increases on top earners in another tax bill later this month.

Rest's plan would lower the state's corporate income tax rate to 9 percent from 9.8

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