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Tax relief is on the way to up to hundreds of thousands of Minnesotans.

Both houses of the Legislature passed a bill Friday to cut income and sales taxes by $443 million over the next 15 months. Gov. Mark Dayton signed it as soon as it reached his desk Friday evening.

The Democratic-Farmer-Labor legislative majorities had hoped to rush the measure through on Thursday, but Senate Republicans forced a 24-hour delay to give lawmakers time to read the bill before voting on it.

After a relatively brief, 3-1/2-hour debate, the Senate passed the bill on a bipartisan 58-5 vote. Less than three hours later, the House approved it, 126-2.

“This is the first time in my memory that the Legislature has passed a major tax bill less than a month after they came into session,” Dayton said at a Capitol news conference.

The governor and lawmakers rammed it through quickly so taxpayers who are filing tax returns now can claim some of the new income-tax credits and deductions.

“These are real tax cuts that are going to make a real difference in people's lives,” said House Speaker Paul Thissen, DFL-Minneapolis.

Republicans said tax cuts are a good start, but they don't to far enough.

The measure allocates one-third of the state's projected $1.2 billion budget surplus to tax relief. GOP lawmakers asserted the DFL majorities should have given more money back to taxpayers.

Senate Republicans proposed several amendments to beef up the tax cuts by, for instance, dropping the sales tax rate by half a cent and exempting military pensions from income taxes. But DFLers rejected the GOP proposals, saying they would drain the state's savings account.

After raising taxes on the wealthy, businesses and smokers by $2.1 billion last year to erase a budget shortfall, DFLers hope tax cuts aimed at middle-class voters this year will boost their re-election chances in November, when Dayton and House members, but not senators, will be on the ballot.

State Revenue Commissioner Myron Frans said lawmakers needed to act quickly so the Revenue Department could update its programs to provide the new tax breaks for the 2013 income tax returns that are due by April 15.

Prompt action also was needed to prevent a sales tax on warehousing services from kicking in on April 1, as scheduled.

The bill provides $226 million in income tax relief to individuals and families by aligning some, but not all, state tax credits with the federal tax code. Conforming to federal law makes filing state tax returns simpler, in addition to lowering taxes.

Not everyone will get a tax cut, however. The beneficiaries include:

— An estimated 347,000 low and middle-income families who will be eligible for increased working family credits. The average family would save $300.

— About 125,000 recent college graduates who could deduct the interest they pay on student loans, saving them about $80 a year.

— Some 30,000 current students who would qualify for tuition deductions averaging $125 a year.

— Recipients of employer-provided assistance for education or adoption. They

would no longer have to claim that loss as taxable income. Those tax breaks could top $10,000 for some owners, said Senate Majority Leader Tom Bakk, DFL-Cook.

DFL lawmakers decided to delay the biggest income tax breaks until next year, when the bill would eliminate the so-called "marriage penalty" for 653,000 couples by giving them the same standard deduction as single filers. That $111 million tax cut will save the average couple $115 a year, starting in 2014.

In addition, about 26,000 families will be eligible for larger child care credits next year, providing an $80 average saving.

The bill repeals three sales taxes on businesses enacted last year. In addition to scrapping the tax on warehousing services, it eliminates taxes on commercial equipment repairs and telecommunications equipment, starting April 1. But unlike the original House bill, it does not provide refunds to businesses that have already paid the repair and equipment taxes.

The repeals will reduce business taxes by $232 million, but those cuts will be offset by a provision delaying the date — from Sept. 1 to July 1, 2015 — that businesses will qualify for an upfront sales tax exemption for capital equipment purchases. That will cost them $64 million in additional taxes.

The bill provides another $3 million for Minnesota's "angel tax credit" program, which has issued nearly all the $13 million it was allocated last year to provide incentives for startup businesses.

A gift tax on the wealthy enacted last year is repealed in the legislation, and it gradually raises the estate tax exemption from $1 million to $2 million over five years. The original bill provided a $5 million exemption, but the Senate voted to pare it down.

With two months remaining in the session, lawmakers have now spent or saved half

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